Canadians Under the Blue Eagle

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The Nation's Business

Only Cure for Public Over-Spending is to Cut Expenses

What Hard-Headed Committee Were Able to Do at Sandwich

Sir John Aird on Bankers' Silence

A Case History in Public Finance

THE credit of several insolvent Ontario municipalities is being restored, slowly but surely, by committees of supervisors appointed under recent provincial legislation that provided machinery for dealing with defaulting municipal borrowers. Thus investors who in good faith bought the debentures of these municipalities are given assurance that finally an attempt is being made to salvage something of their investment. But taxpayers in these municipalities are the chief beneficiaries. The towns and townships got into trouble from sheer unreckoning over-spending; the supervisors, being somewhat detached from local politics, have been able to effect economies that seemed impossible to local councils. Whatever they do to transform over-borrowed, extravagant municipalities into financially well-managed communities will redound throughout the years to the benefit of local citizens. That is why the local people with the largest stakes in these communities have welcomed the assistance and the sound management of outside bodies temporarily appointed to survey and reform local affairs.

* * *

A CASE history in public spending is provided by the town of Sandwich, Ont. In miniature, if in somewhat accentuated form, one finds in the record of this municipality, which defaulted on its debentures last year, the record of public spending throughout Canada, whether of the federal government, the provincial governments or the municipalities. True, Sandwich has defaulted and most of the others have not, but so far as taxpayers are concerned the difference is only one of degree and not very marked at that. And so it is of the greatest value for public authorities and taxpayers in other parts of the country to observe how a committee of hard-headed supervisors has been able to reduce the expenditures of this particular town.

* * *

SANDWICH got into trouble because it spent more money than the taxpayers were able to pay. Between 1927 and 1931 expenditures increased by 56 per cent. Tax levies had to be enlarged accordingly and the endeavor to maintain from year to year a fairly even tax rate involved steadily increasing assessments even where there was no real increase in property values. In the same period, assessed value of real property was increased by over 52 per cent, much of which was palpable inflation. But spending money is one thing and collecting the taxes is another. Taxpayers will not pay if they cannot pay; neither will they pay if they are dissatisfied and consider the levies unjust. Sandwich councillors were spending more money than the citizens had to give them. Of the taxes levied in 1927, 77 per cent were collected. Of the taxes levied in 1931, only 57 per cent were collected. When the taxpayers showed their inability to finance the expenditures undertaken by the town authorities there was no abatement in spending. Instead the town borrowed from the banks. Bank loans increased in four years from $158,000 to $524,000 apart from loans on capital account. At the same time bond borrowings for local improvements and on schools proceeded unabated.

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WHAT would have happened if a private individual or a private concern had pursued such a course? Bankruptcy. And bankruptcy followed just as surely in the case of the municipality. It had to call for outside assistance in

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Current Opinion

"Women buyers could help to keep prices down by demanding less services. I have myself been guilty on occasion of making, for example, a purchase of several spools of thread with the instructions to 'send it out.' The services which a few demand have made commodities more expensive for the many. The cash and carry retail customer, in the last analysis, has to pay extra on account of those who require all their purchases delivered.

"Work which is not necessary had better be eliminated. We should use our ingenuity and find something for people to do that is really necessary. There is plenty of useful work to be done in the world."—*Mrs Franklin D. Roosevelt, wife of the U. S. President.*

GEO. WESTON BUYS BUSINESS IN SCOTLAND

Old - Established Biscuit Business in Aberdeen Purchased

"BAKERS TO KING"

Up-to-date Factory Obtained in Edinburgh — Canadian Firm Owns Common Stock

George Weston, Ltd., makers and distributors of fine biscuits directly and through subsidiaries in Canada and the United States, has just bought the biscuit business of the old-established firm of Mitchell & Muils, Aberdeen, Scotland, and will continue it in an up-to-date factory obtained at Edinburgh, Scotland. This entrance to the British market is one of the most interesting coups brought about by any of the large biscuit companies of Canada, and is of especial importance because this company has featured largely in its offerings biscuits of the kinds made famous for a century or more in the British Isles.

A subsidiary company named Weston Biscuit Co., Ltd., has been formed with headquarters at Edinburgh, and all the common stock will be entirely owned by George Weston, Ltd., Toronto. There is no funded debt but preferred stock will be issued, part of which will be held by Mitchell & Muils as part of the price for their biscuit business.

Made Scotch Bread

The Financial Post is informed that Mitchell & Muils have been famous for their biscuits for more than 80 years. By Royal Appointment they were made bakers and biscuit manufacturers for royal residences in Scotland and they will still continue in the bread department of their business. They have been manufacturers of the Aberdeen Scotch bread at Aberdeen and Aberdonians in Canada will know all about the flaky roll, made from Scotch or English flour, that goes under this name. Canadians will probably know soon as well as it is the intention to market in Canada this roll and the various special biscuits manufactured in Edinburgh through the George Weston organization and possibly to a certain extent in the United States through the organization of the United States' Weston Biscuit Co., whose stock is now owned by interests close to George Weston, Ltd., and for which George Weston, Ltd., has recently offered its own stock.

British Business Good

There will be no offering to the public either in Canada or Britain in connection with the new development. The products of the British company will be complementary to the Canadian. The entire organization of Mitchell & Muils so far as it relates to the biscuit department will be taken to Edinburgh, and the new products will soon be made in Edinburgh by the same master bakers and other helpers as in Aberdeen and will be marketed in the British Isles through the same channels as before.

W. Garfield Weston, who has just returned from Scotland after making arrangements for the new development, is now at Passaic, N.J., the factory of the Weston Biscuit Co. R. A. Robertson, treasurer of the company, is now in Scotland, superintending all details of the final working out of the transaction described.

Mr. Weston is understood to have returned with considerable enthusiasm for the way in which general business has been developing in the British Isles. Great encouragement is being given the British people by the spectacle of lessening unemployment. It affords an excellent background for the starting by George Weston, Ltd., of the new enterprise.

Colossal Sale Of Liquor to U.S. Not Confirmed

Reports current that Canadian Industrial Alcohol has secured the first permit to export into the United States 1,000,000 gallons of whisky are credited in brokerage offices and in circles close to the company and the industry. Those familiar with United States customs regulations and the operation of the 18th Amendment in the United States, however, state that they do not see how such a thing could occur. Others wonder how, with a United States import duty of $5 a gallon on whisky, it would pay anybody to take a chance on paying $6 a gallon, the reputed price, and the duty as well.

The Financial Post is informed that for a long time the only legal imports into the United States have been in small quantities by bottles for testing and other non-beverage

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U.S. PRESIDENT WILL SET PRICE GASOLINE HERE

Declaration on New Formula Sept. 2 Will Raise Crude Prices

Indirectly but no less surely President Roosevelt of the United States will decree what the price of gasoline in Canada will be before or on September 2. By the new oil code the president may prescribe the base price of United States motor gasoline for a period not to exceed 90 days. This is very important to the industry both in Canada and the United States because the Code also sets forth a formula by which the crude price is to be set at 18.5 times the base price of United States motor gasoline.

By the Code the price per barrel of mid-Continent crude of 36. to 36.9 gravity, which is bought in great quantities for refining in Canada, is to be 18.5 times the average Group 3 tank-car price for United States motor gasoline 60-64 Octane rating during the previous calendar month as ascertained and declared by federal agencies appointed by the president. This fixed relationship for 90 days has been obtained by ascertaining that this price relationship existed under free market conditions in the period from 1928 to 1932. For crude oils of lower or higher gravities and qualities and in different districts differentials will be established, but this base price will nevertheless be the determining factor.

May Boost Crude

Varying prices from 3 to 4½ cents now quoted for United States motor gasoline would make crude at 18.5 times from 55½ cents to 79 cents a barrel for mid-Continent crude. The price is about 54 at the moment. If the president puts the price of United States motor gasoline at four cents, that is the same as raising the price of mid-Continent crude to 74. If he puts the price at five cents a wine gallon that would be equivalent to making the price of crude 92½ cents a gallon. If the price goes to 5.4 cents a wine gallon for United States motor gasoline at the refinery in Oklahoma, as Wall Street Journal thinks, that would be equivalent to making necessary a fixed price of $1 a barrel for mid-Continent crude of the rating and quality stated, and 6 cents would make crude $1.11.

There are 35 Imperial gallons to the barrel of crude. Crude oil at one time sold as low as five and ten cents a barrel in Texas this year. Canadian companies did not get this price, it is understood, and probably 25 cents was for them the low point. But every 35 cents a barrel increase means an increase of one cent an Imperial gallon in

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Canada Northern Sells Stock to Power Corp.

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. directors have passed a resolution authorizing the sale of 17,590 shares of no par value common stock to Power Corporation of Canada at a price of $12 a share.

During the last three years Canada Northern Power has had outstanding 375,000 shares of no par value common stock. It will be recalled that in 1929 the old stock was split on a 5 for 1 basis, increasing the number of shares outstanding from 75,000 to 375,000 shares.

In May, 1929, the company took out supplementary letters patent providing for the issuance of 25,000 shares of common stock for a consideration not exceeding $20 a share. By a resolution of the board, dated April 23, 1929, these shares were set aside for employees at $20 a share, payable in such installments as might be arranged by the president.

Employees Take Part

At the end of May, 1930, employees subscribed for 7,410 shares, leaving a balance of 17,590 shares unsubscribed.

On July 25, 1933, the directors passed a resolution accepting the offer of Power Corp. of Canada to purchase the unsold balance of 17,590 shares at $12 a share. This compares with a current market price of $16 a share.

The stock sold to the employees, payments on which have been completed since mid-year, together with the block sold to Power Corp. will be listed as soon as the Montreal Stock Exchange is officially notified of their issuance by the company.

Sinking Fund Operative

The Stock Exchange listing papers also indicate that the sinking fund on Canadian Northern Power's first mortgage bond issue is in operation. These bonds were issued in 1928 and the sinking fund was to commence on May 1, 1933. On the latter date the company redeemed and cancelled $221,500, leaving outstanding as of July 31, 1933, $16,778,500.

Net earnings of Canada Northern Power Corp. are currently reported at $1,454,997 for the seven months ended July 31, which compares with net earnings of $1,373,034 in the same period of 1932. Net earnings in July were $208,426, increase of $17,977 over earnings in July, 1932. The company has had a sustained record of increases in monthly earnings as increased activity in mining has brought new customers.

PLAN FEDERAL SELLING POOL FOR FARMERS

Different Set-up from Previous Attempt Sought

ON BRITISH MODEL

Seek Provincial and Federal Legislation to Legalize Formation of Compulsory Pools

From Our Own Correspondent

OTTAWA—Without publicity or public statements of any kind, a new drive for farm products marketing legislation is under way and is developing political power so rapidly that action at the next session of Parliament is by no means improbable.

The inception of this drive dates from July and the initial steps to bring pressure upon the Federal government were taken at the Regina grain show, where representatives of various provincial governments and of rural producers were in attendance.

Past Attempt Failed

The new drive differs radically from the one which came so close to success during the last session of Parliament. It will be recalled that various agricultural producers, working in close harmony with powerful private members on the Conservative side of the Commons, made a vigorous effort last session to persuade the government to father a bill to create a Federal Marketing Board. This board was to be given monopoly control over various classes of produce, notably butter, beef, cheese and pork. The plan was to boost domestic prices, by reason of the fact that the board would have complete control of the output, to dump the surplus on foreign markets and to pay producers a fair share of the entire proceeds.

This plan reached the point of being drafted into legislation but, finally, was killed by leading members of the cabinet. It was said at the time that Premier R. B. Bennett was one of those who doubted the wisdom of the measure; certainly there were others. Instead of the marketing bill, the government brought down the bill to bonus exports to Britain. Since June, however, the value of the British pound in terms of Canadian dollars has relieved the treasury from all expense under this legislation.

More Comprehensive

The new drive is much more comprehensive in its scope, and is marshalling to its support more powerful forces, both politically and economically. What is now aimed at is legislation, passed jointly by the Federal and the provincial legislative bodies, which will turn over to the producers in each branch of agriculture the right to form compulsory marketing pools. Legislation which, in principal, conforms with the British Marketing Act, is being sought.

Launched at Regina only a short time ago, the movement already commands the active support of practically all agricultural producers of the four western provinces as well as the four western governments. Determined efforts which are reported to be meeting with success are being made to bring in the producers of the eastern provinces and the eastern provincial authorities as well.

Objective Set Forth

The objective in view was succinctly set out by a resolution passed at Regina, where the producers met in secret session. This resolution after declaring that provincial marketing acts had been thrown out by the courts, that voluntary schemes or anything short of complete grower monopoly

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Business Index Advances in July Prices Firmer

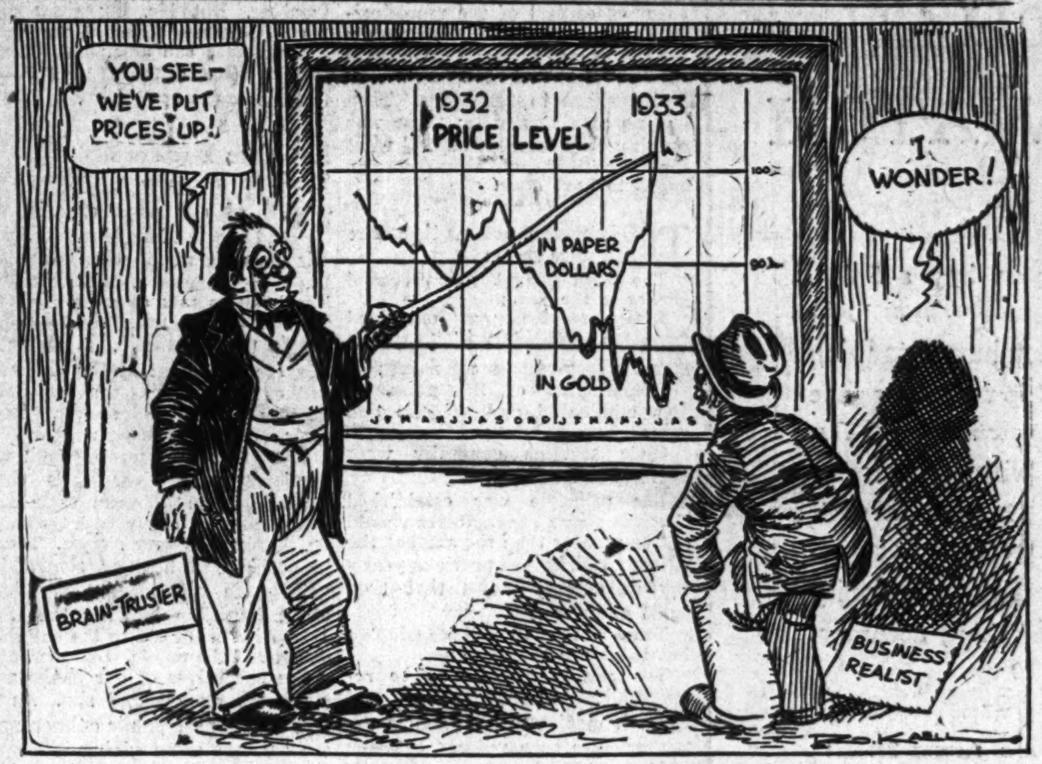
Feature of the business statistics released during the past week undoubtedly was the 6 point rise of The Financial Post index of business, the July figure of 84.6 almost reaching the level of March, 1932.

Renewal of activity in the primary iron and steel industry is also significant, the July totals being the highest in about two years. July foreign trade was also considerably higher than June, or July a year ago.

Prices firmed somewhat during the week, the chief commodity price indices in the United States gaining. Trading was continued at Winnipeg at slightly over the pegged price, although the market was not strong. Textile and metal prices softened a little during the week but still remained above the level at the close of the previous week.

		July, '33	% Change From prev. period	From prev. year
Monthly:				
F. P. Business Index	No.	84.6	+7.6	+4.6
Bldg. permits	$	2,082,302	—41.1	—52.6
Auto. output	No.	6,540	—10.7	—12.5
Pig iron output tons		31,689	*	+352.7
Steel production tons		49,076	+53.1	+75.0
Imports	$	35,788,380	+6.3	+21.3
Exports	$	51,345,011	+11.6	+21.3
Weekly:†				
Carloadings	No.	38,644	+2.3	—1.3
Cattle sales	No.	12,114	+9.2	+21.8
Hog sales	No.	14,348	—4.5	—1.0

*Production in June less than 1,000 tons.
†Weeks ended August 12, 17 and 17.



—Drawn for The Financial Post by R. Kaell.

THE GREAT PRICE MYSTERY

Say American Business Can See Only Success For Big NIRA Scheme

Roosevelt, Man of Action, Appeals to Imagination — J. Allan Ross, of Wrigleys, and E. G. Baker, of Moore Corp., Give Their Views

CLAIM NATION BACKS ADMINISTRATION

It is said of the late "Teddy" Roosevelt that there was always "something doing" when he was around and that it was this activity that, more than any other single factor, endeared him to American business men.

This quality seems to have been handed down to the present head of the family and is one of the outstanding features of his administration. "The American dearly loves action and a leader full of ideas," J. Allan Ross, president of the William Wrigley, Jr., Co., told a representative of The Financial Post, "and therefore President Roosevelt has definitely won the support of the nation."

Opinions of J. Allan Ross

As Mr. Ross has wide interests in the United States, including the American chewing gum company and the Educator Biscuit Company, and spends a good portion of his time in that country, he is in an excellent position to judge the reaction of business heads in the United States to NIRA and to see the possibilities of any such scheme in this country.

"Every business executive with whom I have talked," said Mr. Ross. "is definitely supporting the president's effort to rehabilitate American business even though adoption of the blanket code or an industry code is creating some hardships at the present time. Failure is unthinkable, they tell me. The general feeling is that no difficulties which crop up are insurmountable. President Roosevelt has created the impression that he has always something else up his sleeve if any part of his recovery scheme should fail.

A Giant Corporation

"One could liken the present situation in the United States," Mr. Ross continued, "to a giant corporation. Mr. Roosevelt is the president and general manager and only meets with his directors—the Congress—twice a year. During the remainder of the year he has a free hand to run the business to the best of his ability. He will make mistakes—all general managers do—but his final success or failure will be judged by the results that show in the balance sheet at the end of the year."

That set-up is meat and drink to the average American elector whether he be Republican or Democrat, in Mr. Ross's opinion. He has an instinctive favorable reaction to a "plan of campaign." "Only the other day," he said, "a prominent Republican, who campaigned for Hoover at the last election said to me: 'It would have been a calamity had Hoover been re-elected.' That certainly shows the general attitude toward the president and his recovery schemes — it quite breaks through party lines."

Mr. Ross concurred that there were many snags continually cropping up but expressed the opinion that these would all be satisfactorily ironed out. "The administration has shown itself willing to make exceptions from code rulings," he said, "and by this means most of the difficulties will be surmounted. The flexibility of NIRA is one of its strongest features."

Business Improved

Although the effects of NIRA have hardly become apparent as yet, Mr. Ross felt that business was generally more active. Unfortunately, as he viewed it, some plants were placed in an extremely awkward position owing to increased wage rates. As an example he explained that while the Educator Biscuit Co. was paying only 23 cents an hour for labor and, owing to small volume barely able to show

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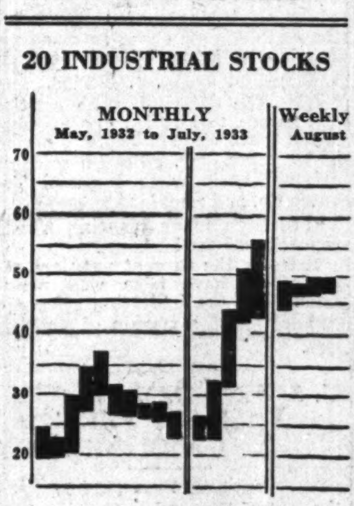
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Aug. 22	49.2	46.8
Week of Aug. 15	49.2	46.4
Month of August, 1932	35.1	27.9
10 Public Utilities		
Week of Aug. 22	54	52
Week of Aug. 15	54	52
Month of August, 1932	53	44
8 Bank Stocks		
Week of Aug. 22	185	182
Week of Aug. 15	188	184
Month of August, 1932	182	163

May Offer Settlement La Patrie Bondholders

From Our Own Correspondent

MONTREAL.—It is currently reported that an offer of settlement will be made shortly to the first mortgage bondholders of La Patrie Publishing Co., of Montreal, recently acquired by the La Presse Publishing Co. Back in 1923 La Patrie issued $500,000 of first closed mortgages, which have been in default as to interest since July 1, 1932.

La Patrie has been in existence since 1878, publishing a French daily newspaper of the same name and operating a large job printing plant. Prior to the last Federal election a controlling interest was reported to have been purchased by Quebec Conservative interests.

The company has not issued a financial statement so that its financial position is not known. At the end of last year, however, La Patrie had outstanding a capital made up of $415,420 of first mortgage bonds, $103,000 of preferred stock and 375,000 shares of no par value common stock.

At the time the first mortgage bonds were sold, it was stated that the security back of the issue had a replacement value of $1,026,664 without any allowance for goodwill. Earnings between 1920 and 1922 had averaged $78,307 annually or over 2.40 times the annual interest requirements.

Highlights of the week

Events and Topics That Make News for Post Readers

Your Estate

An insurance trust offers advantages in building up and protecting your estate. An informative article. Page 14.

Inflation and Stocks

A reader asks what American inflation will do to the stock market and the investment editor throws some light on the answer. Page 11.

The Hanson's

Fifty years of service to Canadian investors is the notable record of the Hanson family of Montreal whose story is told this week. Page 8.

When to Retire

Heads of great Canadian corporations give their views as to the age when executives ought to retire. Page 9.

Protecting Investors

Roger S. Davison analyzes the blue-sky laws and company laws of U. S. and Britain to find lessons for Canada in the protection of investors. Page 3.

Autarchy Rules

The World Economic Conference showed that economic nationalism is still the dominant influence in world affairs. But where does that leave Canada, an exporting country in a non-importing world. "The World at Large" department. Page 6.

Company Control

Can you tell who will control your firm in 1953? Or even in 1934? How you can regulate control yourself through business insurance. The third article in a series of demonstrations in which the author shows how business insurance agreements solve some of the most vital problems of business. Page 12.

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GOVERNMENT SHOULD PROFIT BY SHORT CROP

Chance to Unload Holdings at a Profit Presented

SOME ALREADY SOLD

About 35 Million Bushels Have Cost McFarland 80 Cents and 75 Million 50 Cents is Belief

From Our Own Correspondent

OTTAWA.—All factors considered the crop year now beginning will offer, in the judgment of competent authorities at Ottawa, an unrivalled opportunity to the Government to get rid of Canada's wheat surplus without loss and, perhaps, with a fair profit.

The facts of the wheat situation, while unfavorable to western farmers, are highly favorable to clearing up the overproduction condition which has been the bug-bear of the wheat market since 1929. It is authoritatively reported here that the 1933 wheat crop in Western Canada will not exceed 215,000,000 bushels. This will be one of the smallest crops on record, only explicable when the inroads of drouth and grasshoppers are taken into consideration. Indeed, this year's carryover will exceed the harvest out-turn. The carryover is placed at approximately 219,000,000 bushels. All told, therefore, there will be about 434,000,000 bushels of wheat in the country this fall when the last acre has been cut and threshed as compared with about 520,000,000 bushels at the same time a year ago.

McFarland's Agreement

Last June when wheat prices were steadily climbing there was a strong body of opinion in Canada that John I. McFarland should sell and cut the possible losses the Government may sustain in carrying the huge surplus inherited from the pools. At that time it became known that Mr. McFarland had not sold and that there was in existence a gentlemen's agreement between Mr. McFarland and the Government on the one hand and the grain trade and the banks on the other, that he should give the trade the right of way.

But when prices soared above 90 cents last July, it is now learned that Mr. McFarland did go into the market and carried through major operations which promised at the time to yield very large profits to the Government and which, as the facts are now reported, have materially improved his position.

The records show that little Canadian grain was exported in this period and it is fairly clear that Mr. McFarland's sales were taken up by private speculators. It is probable, therefore, that the Government has improved its position in the wheat market at the expense of the citizens who like a market flutter— but improved its position.

Portion Sold

Mr. McFarland, holding paper covering some 150,000,000 bushels of wheat sold approximately 40,000,000 bushels at better than 90 cents.

He was holding wheat at various prices, but presuming he unloaded the grain on which he stood to take the heaviest loss, the result of his

(Continued on page 2, col. 8)

Just Think of It!

Two of the most highly regarded agricultural leaders in Canada are Tom Kennedy, Minister of Agriculture, Ontario, Conservative, and Duncan Marshall, at one time Minister of Agriculture, Alberta, Liberal. Both have remarkably good records of public service, with an unusual understanding of successful farming and marketing of farm products. Ideal men to have in public life, both appreciate our opportunities overseas for the sale of farm products; both understand the difficult merchandising problems involved.

* * *

J. K. Ross-Duggan, editor of Canadian Trade Abroad, writing from Paris, shows how weak we have been in practical agricultural leadership, and hence the very great need for men like Kennedy and Marshall who can do things and get things done. He says:

"I have fully investigated the marketing methods used by Australia, South Africa and New Zealand. As compared with the control exercised by these Dominions over their primary exports, and particularly their marketing and publicity methods, we in Canada are very far behind.

"The principal complaint which I hear on every side is that Canada does not take her export business seriously. Up till recently Canadian wheat has been in such strong demand that other products such as livestock, bacon, fruit, canned goods, honey, etc., did not seem of much importance."

* * *

Last week the Liberals selected Duncan Marshall to run against Colonel Kennedy, in Peel, his home constituency. This has caused thoughtful people to wonder if the young Liberal leader, Mitchell Hepburn, M.P., who has been winning much public support in exposing the wastefulness of the Ontario government, is not more interested in party politics than in constructive policies. There is a feeling that both parties should cast aside pettiness and see that both of these men are elected by acclamation to the Ontario legislature where both are needed.

Ladies' Model $27.50

Illustrated about twice actual size to show detail of design.

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Main Floor — Yonge and Albert Streets

T. EATON C° LIMITED

The Nation's Business

(Continued from page 1)

putting its affairs in order, and had to suspend payment of interest on its borrowings.

The committee of supervisors, appointed on behalf of the Ontario government, was headed by that capable realist in municipal finance, Thomas A. Bradshaw, of Toronto, one time finance commissioner of Toronto, now president of the North American Life Assurance Company. When the committee assumed control of the municipality's finances it set out to do merely the things that the town authorities themselves should have done. This is important to remember. They had no magic formula; there was nothing they could do beyond what the town itself could have done and ought to have done.

* * *

THE important actions that were taken were these:

The town budget was prepared earlier in the year;

Every service was examined from the standpoint of its necessity, its cost and its efficiency;

Overstaffing of the personnel was eliminated and salaries and wages were reduced;

Civic services generally were reasonably curtailed;

The principle was established that the year's expenditures should not be greater than the amount the citizens had, by the previous year's tax collections, shown that they could actually pay.

There were other policies adopted but these are the key ones.

The results promise to be remarkable. Administration and other immediately controllable expenses have been reduced between 1931 and 1933 by 36 per cent.

School expenses have been reduced by 48 per cent.

No attempt is being made to levy higher taxes.

The bondholders of the town are nearer to the day when they can count on a resumption of interest payments. But while the investors have to wait for their benefits the taxpayers have already benefitted by having their town's affairs established on a more reasonable and economical basis.

* * *

SANDWICH is only one of some 4,000 Canadian municipal and other governmental spending bodies. As one small unit in the organization of our public finance, it would not deserve the space that this analysis has devoted to it were it not a case history; and did its troubles and their remedying not point out the great lesson that must be learned by all public authorities before there can be true relief for the taxpaying citizens of Canada.

The lesson is that there is only one remedy for over-spending and that is a drastic reduction in expenditures.

Frequently we are told that expenditures cannot be cut. No doubt the town councillors of Sandwich thought that and looked about for some extraneous circumstance, such as the collapse of their real estate boom, to blame for all the town's troubles. But Mr. Bradshaw and his committee have shown how expenditures can and must be cut just as other committees in other Ontario towns have done.

* * *

Let Our Bankers Talk to Public

ONE of our most experienced and wisest of bankers, Sir John Aird, president of the Canadian Bank of Commerce, says that the less bankers talk about banks the better. This is not quite like Sir John's usual attitude. It is more like the viewpoint of the old-time banker who believed that the public was not entitled to know how their money was being used.

The great weakness of banking, particularly in Canada, is that bankers do not discuss their national function freely with the public. Banking is very simple. There is nothing to hide or should be nothing to hide. There is much about Canadian banking that Sir John Aird could tell to the enlightenment of the public. But the head office executives of our banks are much too modest and shy. As a rule they ignore public opinion and are hesitant about giving information as to their services. The public grinds its axe for the bankers and lays in wait until they appear in a vulnerable position such as at the hearings of the Bank Committee at Ottawa when their charters come up for renewal each ten years. It will be recalled that Sir Frederick Williams-Taylor, when he was president of the Canadian Bankers Association, had a very rough ride at the hands of the committee.

But if the bankers are modest the agitators are not. The public generally has been told by radical orators that the hundreds of millions of dollars in the Canadian banks are owned by thirty or forty big capitalists. Of course, this is not true, and has never been true. One of the large banks recently took a long stride forward in public relations when it made it clear that a bank was really owned by a million depositors with an average deposit of $532.

G. TAMBLYN LTD. WAS NOT MERELY "ONE MAN SHOW"

Death of Gordon Tamblyn Removes Leading Merchandiser

Canadian merchandising lost another pioneer and leader in the death of Gordon Tamblyn who founded G. Tamblyn, Ltd., which operates a chain of 59 drug stores in Ontario. From a single store, started in 1904, in Toronto, Mr. Tamblyn developed a successful chain that has had a sales volume of $3,500,000 or more in each of the past four years. His sudden death at the age of 55, due to heart failure, adds another prominent merchandiser to the list of company executives who have died in the current year and which includes Harold C. Ritchie, W. J. Pentland and T. P. Loblaw.

Mr. Tamblyn was president and general manager of G. Tamblyn Ltd., which was incorporated in 1928 to succeed a company of the same name originally founded in 1904. As a result of his attention to detail, his determination and capacity for work, Mr. Tamblyn was successful with his first store and opened others. He was among the first to get a uniformity in store fittings and external appearance; he adopted a slogan, "Tamblyn Saves You Money" for his growing chain and stimulated interest among his branch managers by campaigns and quotas. He even reached beyond his managers and created interest among his customers by publishing his sales objective for the year.

Sales Increased

Sales of his chain in 1928 just topped $2,000,000 and showed annual increases until in 1931 the peak of $3,872,249 was reached. Net profit per dollar of sales was 3.9 cents in 1928 and increased to a peak of 5.3 cents in 1929. Public interest in the company dates from 1928, when $700,000 of 7 per cent preferred stock was offered at $100 a share and a bonus of seven shares of no par value common with each ten shares of preferred stock. There are 28,000 shares of common stock outstanding. Dividends on the preferred stock have been earned and paid regularly since the stock was offered. No dividends have as yet been paid on the common stock and surplus has been increased annually and the liquid position of the company improved.

Associated with Mr. Tamblyn since 1906 has been W. E. Corlett, vice-president of the company. W. C. Scott, secretary-treasurer, has been with the company for 20 years, and W. H. Campbell, purchasing agent and a director of the company, has also been connected with Mr. Tamblyn in the business for many years. Mr. Corlett was not only a business associate of Mr. Tamblyn, but was a warm personal friend. Very closely in contact with all phases of the business, he is in a position to carry on Mr. Tamblyn's duties as president and general manager until new officers are appointed. He holds a substantial interest in the business, control of which rests with Mr. Tamblyn's estate and his former associates. Mr. Corlett's abilities as a business executive and able merchandiser are highly commended.

Executives Hold Control

The company has a board of five directors of which three have been officers, Mr. Tamblyn, Mr. Corlett and Mr. Campbell. H. C. F. Mockridge, Toronto, is a representative of Imperial Tobacco Co. which holds the one deferred share outstanding. A minority interest in the stock is represented by W. J. Baxter, New York. The deferred share entitles the holder to appoint one member of the board of directors for a period of 10 years. Mr. Tamblyn sold his original business to Imperial Tobacco Co. and remained as manager, and through public financing in 1928 repurchased the business.

Sales in the current year are reported to have been well maintained, but the individual sales are smaller and the margin of profit is less.

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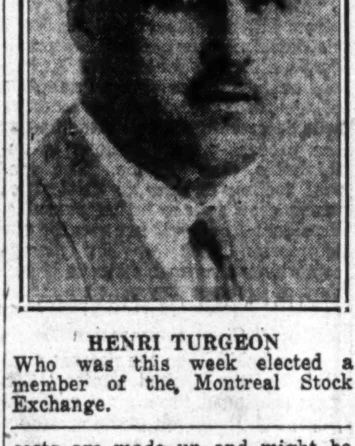

HENRI TURGEON
Who was this week elected a member of the Montreal Stock Exchange.

U. S. PRESIDENT WILL SET PRICE GASOLINE HERE

(Continued from page 1)

the cost of the crude and that eventually works through to an increase of one cent a gallon in the retail price of gasoline in Canada. There was an adjustment of prices of gasoline in Canada about a month ago, the highest grades and the lowest grades being reduced half a cent a gallon in price while the popular grades went up half a cent a gallon. No further action has been taken by the companies which have been awaiting the final decision on the Code before taking action.

Predicts $1 Crude

United States newspapers are free with predictions that the president will set a price as high as 5.4 cents a gallon by September 1. That would raise prices to $1 a barrel for crude petroleum which is more than one cent increase per Imperial gallon for crude and would entail an increase of one cent a gallon in gasoline at least. Canadian executives, however, expect that the price will be at least four cents a gallon for United States motor gasoline and this would automatically raise their costs to 74 cents a barrel for crude. That would have to be regulated in the price of gasoline.

Gasoline Import Costs

A price of four cents a wine gallon for the tank-car price of United States motor gasoline at refineries on the field is equivalent to five cents an Imperial gallon. If that gasoline were shipped to Canada it would cost 14.235 cents in tank cars in freight yards in Toronto. The following table shows how such costs are made up and might be read along with the idea that an approximate estimate of accumulating costs on crude bought for refining in Canada would probably be nearly seven cents an Imperial gallon before refining, distributing and retailing costs:

U. S. Gasoline Costs to Canada
(U. S. Motor 60-64 Octane)

	Cents
Cost at refinery (Imp. gals.)	5.00
Federal tax	1.00
Exchange, 6%	.36
Duty	2.50
Sales & excise 9%	.797
Freight, 70c. cwt.	5.544
Surcharge, 4%	.222
Emergency, 1c. cwt.	.084
	15.507
Less Fed. tax & exch.	1.272
F.o.b., Toronto	14.235

May Change Ratio

The president has the power to change the 18.5 ratio. He will watch through his officers the working out of it under actual conditions. As the Code was rushed through against considerable opposition at the last moment he is prepared to believe that certain changes will be inevitable. On the whole the industry is prepared to accept the 18.5 times base price of gasoline as a good crude price and that any new arrangement will not differ much. Heavy penalties are provided for anybody who tries to beat the price-fixing regulations and considerable force may be needed to prevent bootlegging. The industry will aid the president in every way it can, however.

Old Base Rates

There are various regulations as to storage, production, hours of labor in every part of the industry from the wells to the service station which will add to the cost and make the maintenance of the price ratio more stable as it is believed that it will be difficult to obey the law and cut the price ratio without losing money. It may be interesting to note what the base price of U. S. motor gasoline has been in other years and what the new formula will mean in crude petroleum prices if these old prices should once more obtain at any time.

Table Applying 18.5 Formula
(U. S. Motor Gasoline 60-64 Octane)

	Average base price Cents	Works out in crude prices
1928	7.97	$1.47
1929	7.72	1.42
1930	6.25	1.16
1933	4.00	.74
Suggested	5.40	1.00

The United States motor gasoline which at 4 cents a gallon per wine gallon in Oklahoma would cost 14.23 cents an Imperial gallon on cars at Toronto compares with a tank-car price of 13 cents an Imperial gallon delivered by tank-car by Canadian refiners in Canada. This cheap gasoline is sold retail in Toronto at 17 cents a gallon. Minimum wages have been established at service stations in the United States as well as maximum hours. A tendency in this direction has been noted in Canada in recent years. Imperial Oil, for example, has greatly shortened the week for its service station employees.

SAY AMERICAN BUSINESS CAN SEE ONLY SUCCESS FOR BIG NIRA SCHEME

(Continued from page 1)

a profit, the biscuit manufacturers' code called for a minimum of 40 cents. Just how this big increase in wages was going to be earned was not yet clear. Volume had certainly not shown an increase to anywhere near the required total.

In the case of the Wrigley Co. in the United States there was no problem. Wage rates and hours of labor were already in accordance with code specifications. Mr. Ross thought that this situation also existed in almost all wealthy manufacturing concerns.

Retail organizations have a much greater problem, however, Mr. Ross said. He instanced the case of one coast to coast chain of retail food stores which figured that a ten per cent increase in volume would be required to carry the larger staff and higher wage rates demanded under the code. Up to the present time, nothing like this has eventuated, he said.

Opposes Shorter Hours

Mr. Ross said that he was only one of many business executives who were definitely opposed to anything less than a 40-hour week. He felt that 5 days of eight hours each was required in order to maintain a worker's interest in his job. "Of course," Mr. Ross explained, "there will always be our future executives who will work considerably longer hours than that largely because they are more satisfied in doing this than in any other pursuit. For the masses, however, the discipline of an 8-hour day is required."

"If I thought that the worker would usefully employ his increased leisure," Mr. Ross said, "I would not oppose a reduction to even 30 hours a week, but I'm afraid that this would not be the case. Besides, those persons who wish to study either the arts or sciences, or their business should find plenty of time with two full holidays and only eight hours work on the other five days."

N. R. A. in Canada

Mr. Ross told the representative of The Financial Post that a newspaper reporter recently called him on the phone and asked for his opinion of the feasibility of the N. R. A. in Canada. He rather surprised the reporter by saying that the N. R. A. was already in operation in this country. The N. R. A. which was operating in Canada, however, he explained, was "Nature's Real Assistance."

Definitely, Canada did not need any such scheme as the National Industrial Recovery Act, Mr. Ross felt. Some of the practices which are becoming effective in the United States through this business revolution will later be incorporated in Canadian business but an attempt to impose the whole set-up would be a failure, he stated. Taken as a whole, the success of the scheme depends a great deal on successful ballyhoo and the wholehearted support of the populace. Psychologically, Canadians are not suited to the high-pressure methods necessary and would not react favorably.

E. G. Baker's Views

E. G. Baker, first vice-president of Moore Corp., whose company has subsidiary plants throughout the States, and who is therefore in close touch with the situation in that country, told The Financial Post that he felt that the elimination of unfair competition had been one of the real successes of the N. R. A. as far as his business was concerned.

"In many of our plants," he said, "we are manufacturing paper specialties for other manufacturers at a contract price. In the past few years we have been subjected to such competition that, in order to obtain any business we have had to cut estimates to amazingly low levels and keep our plants working sometimes at a loss. Opposing producers were able to cut costs by cheap labor but the adoption of the blanket code eliminated this practice. These manufacturers have now expressed their willingness to enter the industry association."

Blanket Code Racket

"Our industry code has not yet been accepted but we are now operating under a modified blanket code, that is, we have adopted the blanket code with the reservation that 40 hours a week can be worked until our code is accepted," Mr. Baker said. "These reservations," Mr. Baker pointed out, "are a feature of the Blue Eagle campaign. The idea is not to force the 35-hour week and minimum wage scale on all industries but to get a nation-wide acceptance of the spirit of the scheme so that the work on industry codes will be simplified.

"It is possible," Mr. Baker stated, "to accept the President's code with almost any reservations, as far as wages and hours of labor are concerned. You name your own terms and get your ensign. Of course, when your industry code is accepted, violations of the conditions set forth become criminal.

"Here is a difficulty that has cropped up in our Los Angeles plant under our modified acceptance of the blanket code which will require to be solved," Mr. Baker said. "This plant has been very busy in recent months, working about 60 to 68 hours a week. Now we have been forcibly cut to 40 hours. If we were able to go out and get enough men to run another shift, it would be all right, but there are not any skilled men unemployed and, as it takes years to learn the work, little can be done about the situation for the present. In addition, the workmen in this plant are dissatisfied as their pay is cut.

Ask For Overtime

"We are trying to overcome the difficulty to some extent by asking, in our industry code for a 40-hour week and that 144 hours overtime be allowed each year. Whether this will pass the administration is questionable, however. Undoubtedly, the representatives of labor will strenuously object."

Mr. Baker was positive that an improvement in business had already been noted. He stated that his plants were already busier and with the elimination of the price-cutter were able to operate profitably.

Canada Will Benefit

"Increased costs in the United States will result in a certain amount of business being transferred to Canadian subsidiaries," Mr. Baker felt. "In this business, for instance, we make paper boxes for a number of companies which operate both in United States and in Canada. In the past they have found that it was cheaper to obtain all their requirements through our United States plants and to ship the small amount required in Canada to this country, paying the duty. Exchange restrictions have already resulted in some of this business for Canadian use being transferred to our plants in Canada as there is a very small margin in most cases between the Canadian costs and the United States costs plus duty. Any increase in costs in the United States would make it worth while for manufacturers to order through our Canadian plants."

Mr. Baker's opinion that Canada had little need for a National Recovery Administration agreed with that expressed by Mr. Ross. The former, however, felt very strongly that many of the benefits of the NIRA could be well incorporated into Canadian business and that many of the changes would sooner or later come to Canada.

Fears Labor Unions

He expressed himself as sympathetic with labor's fight for shorter working hours and felt that a 30-hour week might come in the future. The jump from as high as 60 to 30 hours was too much for manufacturers to swallow, however. "A thirty-hour week may be adopted in time but reduction will have to come step by step," he said.

Although, as already stated, Mr. Baker is sympathetic to the cause of labor as far as a shorter week is concerned, he said that he felt some apprehension over the growing power of labor unions. This feeling was general among his business associates in the United States, he said.

N.I.R.A. in Past Week

Two events have taken place in the United States during the past week, directly connected with the National Industrial Recovery Act, which are worthy of note. First, the power of the Administration was amply demonstrated in the case of the oil, coal and steel industries, when, after discussion had led to an impassé, the Administration turned round and drafted codes of its own for these industries.

Secondly, the first real opposition to a group code has become apparent. Retailers in the coal mining districts of Pennsylvania received their code, found that it called for forty-eight hours a week, changed that to 84 hours, and returned it with the statement that they had to keep open 12 hours a day in order to cater to the different shifts in the mines.

The willingness of the Administration to make allowances for industries in which standard hours of labor would prove an undoubted hardship or where minimum wage rates could not be met is becoming more apparent daily. The financial and, to some extent, the business press, continues to attack the whole scheme, looking at the long view of the situation. Meanwhile, however, the business of drawing up codes, hearing complaints, making alterations, etc., goes on unabated.

Show "Directionals"

Details of the codes which are going through are so multitudinous that volumes might be written in explanation of them, the Whaley-Eaton Service, Washington states, but there are some outstanding developments which warrant general attention. They show "directionals" as the machinery of administration establishes working principles. The Whaley-Eaton Service sets these as follows:

"NRA is showing a sincere devotion to the principles of flexibility. It is allowing, for instance, wide fluctuations in hours of employment in order to take care of seasonal industries. It will permit a 10 per cent tolerance on hours, meaning that they can be increased to that extent, on occasion

"The corset code, which is a permanent one, provides a 5 per cent exemption for the minimum wage provision to take care of the superannuated and physically incapacitated. The drug code would make it an unfair practice to sell goods below cost plus a profit. The merchant tailors' code would prevent a grant of credit to any purchaser who was already in debt to a tailor. The salt code would declare against employment of any persons under 21 years of age.

"Some cities, mistaking the Administration's objective, have been passing ordinances to limit store hours. They are being advised by Washington that the purpose of limiting the hours of individuals is to force the stores to employ more people, wherefore the stores must be kept open at least as long as was their former custom.

"As between the open and the union shop, good Administration opinion is that the battle is a sham one. Nevertheless, this is the greatest stumbling block in the acceleration of the recovery programme. There are literally thousands of managers who are declining to submit to a condition whereby non-employees can assume a part management of their plants. About a fourth of the cling-peach canneries in California declined to participate in the code. The government, for the second time, has resorted to licensing, thus forcing them to obey the code.

"Licensing will be ordered by the government, likewise, in the cases of the steel or any other industry that declines to go along what the Administration considers a reasonable basis. The cards are all in the Administration's hands and it will not hesitate to play them, as it did in the oil situation. The power has been given it by Congress and there is no fear that the courts will intervene."

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PLAN FEDERAL SELLING POOL FOR FARMERS

(Continued from page 1)

would not meet the need, went on to say:

"This body of producers, representing the majority of agricultural activities of western Canada, requests the Federal minister of agriculture to forthwith proceed with the preparation of a farm producers' marketing measure which will be available to and available for the needs of the producers of agricultural products in any part of Canada; and that such proposed measure be submitted to a committee to be appointed for a review at the earliest possible date and that upon said measure receiving approval of the committee it be submitted for final consideration to a further conference of producers which shall be national in scope and convened at some central point in sufficient time to provide the necessary support to ensure the passing of the measure at the next meeting of the federal parliament."

Final Hearing in November

The date for the final consideration of the measure has been fixed for Toronto during November—although it remains to be seen if Hon. Robert Weir will produce any draft legislation.

The differences between the marketing board campaign of last session and the one now under way are obvious. Last session a purely federal scheme was aimed at. This time the proponents are seeking joint action by the provinces and the Dominion. In doing so they recognize that the legislative jurisdiction to set up and maintain any sort of a compulsory pool rests not with one but with both classes of government in this country. The right of the provinces to control property, prices, etc., is undisputed. But the right of the Dominion to control interprovincial trade and foreign trade is equally clear.

A Self-Help Statute

In asking that the Dominion follow the British model, the real hopes of those behind the new drive are made clear. The British Marketing Act is a sort of self-help statute. It provides the machinery whereby any group of producers can petition to be formed into a pool or "scheme." Provided the producers in this group are in favor of it, the law steps in and enables them to create a compulsory pool.

Presumably the Canadian farmers desire a Federal enactment of this kind. But the actual business of setting up the various boards, of price control, of compelling all growers to join, would have to be carried out under provincial enactments. Given a general Federal statute, the growers in each province could then petition their local legislatures for the required provincial statutes.

GOVERNMENT SHOULD PROFIT BY SHORT CROP

(Continued from page 1)

operations will have worked out something like this. Mr. McFarland holds some 75,000,000 bushels of wheat which he took over from the wheat pools in January, 1931, at a cost of about 55 cents per bushel. The approximate conversion costs, or carrying charges, (for he converted the physical wheat into futures) during the intervening 30 months, would be about 25 cents per bushel. This is allowing for the lower storage charges of the past year.

This wheat, therefore, probably stood him in 80 cents per bushel when he sold. He made approximately 15 cents profit, or $6,000,000. Unfortunately, however, the $1 price did not hold. The market, after the spectacular rise, fell dizzily and McFarland is reported to have bought back the 40 million bushels in stabilization operations carried through around 72 to 74 cents per bushel. The net result, in consequence, is that he has about as much grain as ever, but has cut the cost of 40 million bushels by nearly 10 cents and, in addition, has $6,000,000 to his credit.

Holds 110,000,000 Bushels

To piece together the result of the picture, Mr. McFarland probably holds 35 million bushels which have cost him about 80 cents. The balance of 75 million bushels were bought during the past year in stabilization operations when the price was ranging around 50 cents.

All factors considered, the Government could sell the surplus at 80 cents and make a handsome profit. This, of course, could only be done if the forced sale did not wreck the market.

As already stated, in the past year an informal agreement entered into by the Government held the surplus off the market. This year with a very short crop a reasonable export demand would be sufficient to clean up the 1933 out-turn plus most of the surplus. And with the United States surplus likely to be wiped out, due to the short crop in that country, there is a strong disposition here to regard the future with optimism. Many believe that wheat will climb to $1 and stay there before the end of the year.

Play for Profits

There is, however, an element of speculation in this figuring and some danger that the Government, through Mr. McFarland, will seek to play for profits.

When wheat soared during July it was frequently stated here that McFarland would make sufficient profit to repay the losses of the pools to the provincial governments (more than $20,000,000) and, in addition, a considerable part of the $50,000,000 odd advanced by Ottawa to the prairie governments.

The danger, therefore, is that an element of speculation will enter into the policy of the Government with respect to the wheat surplus. If the cabinet seeks only to get out of the wheat business this year without loss, the opportunity to do so appears to be unrivalled.

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Stability in a life assurance company is a result of a far-sighted investment policy. This demands a balanced distribution of assets. The list to the right shows how successfully the Canada Life has applied this vital principle.

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Other Government Bonds	.6
Public Utility Bonds	10.3
Railroad Bonds	1.2
Other Corporation Bonds	4.4
Preferred Stocks	2.3
Stocks of Canadian Banks and Trust Companies	1.6
Other Common Stocks	.2
Mortgages	27.9
Policy Loans	18.3
Real Estate (including the company's Buildings)	5.1
	100.0%

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Thinks Canada Needs Federal Security Law

History of Blue-Sky Laws to Protect Investors Goes Back Many Years—Laws of Three Countries Compared

By ROGER S. DAVISON

The enactment in May of this year of the Securities Act of 1933 by the United States Federal Government is another step forward in the history of "blue-sky" legislation which dates back to the earliest days of corporate enterprise.

For many years governmental authorities have endeavored to reduce the huge losses incurred each year by the investing public as a result of fraud in the sale of securities. At first the attempt was made to place the stamp of government approval on each new security issue; but fraud may be practised in two ways: first, through the proper sale of fraudulent securities and second, through the fraudulent sale of properly set up securities. The problem must be attacked therefore from two angles.

Ancient Blue-sky Laws

As early as 1696 a commission appointed to examine and report upon the state of trade in England gave expression to the evils of fraudulent stock promotions. In 1720, following the South Sea Bubble fraud, Parliament passed an act which virtually prohibited all dealings in company securities. This act was repealed in 1825 but was followed by restrictive legislation leading up to the Companies Act of 1844. This act has been elaborated in some particulars, modified in others, and new regulations have been added until the Companies Act of 1929 stands as possibly the most practical statute of its kind today.

State supervision of security investment dates back to 1884 in Germany and to 1893 in France. In the United States the first attempt to prevent fraud in security dealings was made in 1872 by the federal government when the Postal Frauds Act was passed. In 1911 the State of Kansas enacted the first so-called "blue-sky" laws. During the debate on the contemplated legislation one of the legislators remarked that the unscrupulous promoters "would sell shares in the bright blue sky itself." Subsequent efforts to restrict the operations of dishonest stock promoters have therefore been labelled "blue-sky" legislation.

Wide Variety of Measures

Since the war, security frauds prevention has been of a more aggressive character. Every province in Canada, every state in the United States (except Nevada and the District of Columbia) now has some sort of statute supervising the sale of securities. There is however a wide variation in the measures which have been adopted. The issuer of securities and the dealer trading in them are faced with the necessity of complying with a number of different and, in some cases, conflicting statutes. The necessity for uniform legislation is very apparent. In England there is only the one law to be followed. In the United States it is expected that the new Securities Act will, from a practical standpoint, supersede the various state laws. In Canada we are relying wholly upon the operation of nine different provincial statutes.

Bankers Fight Fraud

The Investment Bankers' Associations of both Canada and the United States have consistently facilitated tighter control of investment dealings and have particularly favored uniformity in legislation. The Investment Bankers' Association of America in fact has been directly responsible for statutes which are now in force in a number of states. It is naturally in the interests of the honest security dealer that the unscrupulous vendors of securities be prevented from preying on the public.

At the annual convention of the Investment Bankers' Association of Canada held in June last, the president, Col. J. G. Weir, of Toronto, stated in his address:

"In the Province of Ontario there has been appointed in recent years a securities commissioner who is making a special study along these lines. Your association has gladly co-operated with the commissioner through the central executive in his effort to protect the investor from unscrupulous promoters, from mistakes of judgment, and from mismanagement, by drafting legislation which it is hoped will help to attain this object. In the month of May, for example, legislation was passed restricting house-to-house canvass. The association co-operated in the drafting of this legislation, the purpose of which is to protect the small investors—particularly those more remote from the financial centres and those who do not follow closely security price movements. The Ontario Securities Commissioner is to be congratulated upon the splendid work he is doing and he has been assured of our hearty co-operation. It is recognized that a good measure of responsibility of keeping up the prestige and ethics of the business lies within our own ranks and cannot be accomplished by legislation alone because legislation, to be effective, often is sufficiently arbitrary to restrict legitimate business."

While the Dominion Government has shown no sign of tackling the problem of raising security legislation in Canada to a standard now in existence in both England and the United States, it is felt in responsible quarters that action must be taken soon to remedy existing weaknesses.* In Canada, the federal government claims not to be responsible for the actions of a company after incorporation, nor for the sale of its securities. Security frauds prevention to date has come under provincial jurisdiction.

Field Open For Dominion

The original issuance of securities of a company at the time of incorporation is subject to the terms of the Companies Act in the province of incorporation or the Dominion Companies Act if the company chooses Dominion incorporation. The western provinces have recently introduced improved laws pertaining to incorporation (although some of the "improvements" are of a doubtful character) but such legislation is largely ineffective as long as a company may, if it wishes, apply for and receive a Dominion charter which exercises only nominal supervision from the standpoint of protecting the interests of the investor. There is no constitutional reason why the Dominion Government hhould enact security frauds legislation.

The security acts of other countries and of the nine provinces in Canada point the way to desirable enactments by the Dominion when the subject is taken up. It is hoped that when action is finally taken only the best features of existing legislation will be incorporated. To determine what these features may be and what elements are undesirable, let us examine briefly under four headings the methods so far adopted to protect the investor, with particular reference to the U. S. Securities Act of 1933:

I. Registration of New Security Issues

While registration of new issues has been required in most statutes related to the issuance of securities, the new United States Securities Act introduces an entirely new note especially in connection with the liabilities imposed upon both the issuer and the underwriter. The company issuing the security, all of its directors and principal officers, all experts certifying to statements incorporated in the registration statement as well as the dealer underwriting the issue, are made jointly and severally liable for the whole amount of the issue either by refunding the purchase price or through damages brought by action in the civil courts.

Previous to the new act most of the states required registration of new issues; in 37 states, in fact, the authorities passed upon the qualifications of the new issues before allowing their sale. In certain states a gross profit margin exceeding 20 per cent is prohibited.

Two Acts Not Similar

In England the Companies Act of 1929 relates not only to the issuance and sale of securities but is the act under which English companies are incorporated. The new Federal Act in the United States, although supposed to be modelled on the English act, actually bears little resemblance to it. The teeth in the English statutes are contained in the provisions relating to the prospectus rather than to registration.

Most of our provincial Security Frauds Acts require registration but the penalties are nominal and there is no provision for civil liability either by way of rescission of the purchase contract or damages.

II. Requirements With Respect to Prospectus

The Federal Securities Act prohibits any dealer from selling a security (unless it has been outstanding for at least one year) until the buyer has been given a prospectus which contains substantially all of the information required by the registration statement. Any person selling a security in violation of this statute is liable for the full amount of the purchase price or damages.

In certain states across the line (e.g., California) all sales literature used in connection with the disposal of securities must be filed with the state authorities. This would seem to be a reasonable provision but is not incorporated in the new Federal Act since the burden of proof that no fraud is practised in the sale is placed entirely upon the vendor of the security.

Features of English Act

The English act has been amended several times for the purpose of tightening the requirements with respect to prospectuses describing new issues. No abridged prospectuses are allowed. All material contracts must be disclosed. The rights of various classes of stocks must be clearly shown. In two respects at least, however, the English act is weak. In the first place it allows portions of the contents to be printed in small type; in the second place, no proper definition of profits is given, so that the buyer does not know whether the profits disclosed are exactly as shown or whether certain other deductions from earnings should have been made. The English act places the responsibility for the statements contained in the prospectus upon the directors of the company but not upon the officers, underwriters, or the company itself. Civil liability is limited to time payment of compensation (damages) to anyone who purchases the securities on the faith of the prospectus. In violation of the English act by failure to disclose in the prospectus the operating losses of the Royal Mail Steam Packet Co., Lord Kylsant, chairman of the board, was held criminally liable.

In Canada existing legislation with respect to prospectuses is not very onerous. Only in Ontario is the security dealer required to deliver to the buyer a prospectus containing complete information. The dealer in that province is required to disclose his compensation and to state that the proceeds of the issue will not go into the treasury of the company, if that is the case.

III. Registration of Dealers

In most countries the registration or licensing of security dealers is now required. Practically all of the American states and all of the Canadian provinces incorporate this provision in their security frauds acts.

The U. S. Securities Act of 1933 does not specifically control the operations of dealers except in so far as the provisions of the act may be broken. However the act gives to the Federal Trade Commission almost unlimited powers for securing whatever information it may wish with respect to dealers.

The London Stock Exchange exercises a close supervision over its members and to a large extent its regulations take the place of dealer licensing. As the sale of securities in England is conducted on the subscription plan the registration of dealers is relatively less important than in the United States or Canada where securities are very definitely "sold" to the buyer.

Most of the provincial governments in Canada require detailed information concerning the past record, financial position, etc., of all licensed security dealers. A financial statement must be filed once a year with the provincial authorities. All security salesmen must be similarly registered.

IV. The Sale of Securities—Old or New

The U. S. Securities Act provides for the refund of the full purchase price (or damages) to the buyer of any security sold to him by means of any statement, oral or otherwise, which is misleading. The burden of proof is again on the security dealer. This legislation is a modification of present common-law principles, shifting the burden of proof however from the plaintiff to the defendant. This feature of the act is an entirely new departure in security frauds legislation. In other respects the disposal of securities is not specifically controlled.

While none of our provinces has enacted blue-sky laws imposing such drastic penalties for fraud, security transactions in nearly all provinces are regulated in certain respects. For instance, the dealer's commission must be disclosed if the dealer is acting as an agent; a broker must not dispose of his own stock to a purchaser carrying the stock on margin; the name of the dealer with whom the transaction is completed for the client must be disclosed, and other regulations of a restrictive nature have been put on the statute books.

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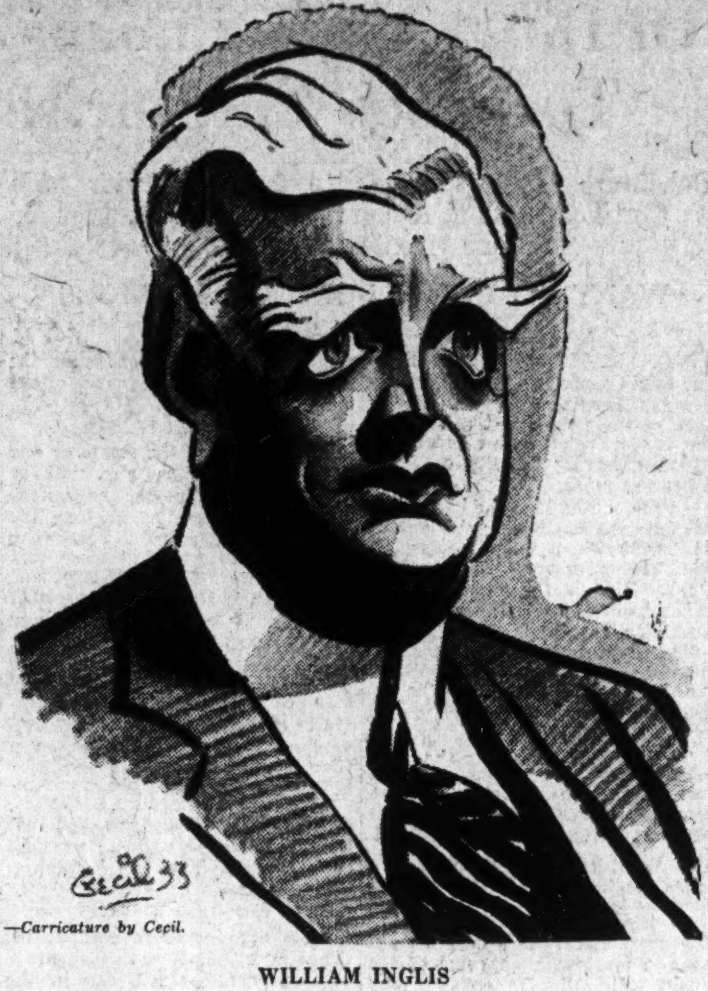
*See recent articles in The Financial Post on proposed revisions of the Companies Act.

' This is the second article in a series on legislative protection for investors.

In subsequent articles the new United States Securities Act of 1933 will be examined from the angle of the corporation issuing the securities, its directors and executives; the underwriter and dealer; and finally the investor. Various favorable and unfavorable features will be discussed.

He Heads Great Show in Recovery Year



—Carricature by Cecil.

WILLIAM INGLIS

President of the Canadian National Exhibition, Toronto, which opens on August 25. Undaunted by upstart competition from Chicago, the Exhibition directors have planned a show worthy of what all business men hope is going to be recorded in history as Recovery Year. Mr. Inglis is president of John Inglis Co., Toronto, engineers and boilermakers. He started his career as an apprentice in his father's firm just 51 years ago. Like so many successful Canadians he was born in Guelph.

Other Peoples' Views

How to Recover Books

New York Times—One class in the community that should be brought without delay under the National Recovery Act comprises the book-borrowers. Everything is set in the country toward nation-wide recovery. What can be more appropriate and more helpful to President Roosevelt than for every one of us to try to recover a few of the books our best friends are always carting away?

Empire Settlement

London Morning Post—It is indeed a mistake to suppose that the dominions were peopled in the past by the unassisted and unrelated efforts of the emigrant. On the contrary, our forefathers organized great schemes of settlement; as the records of various colonies show. Even the Mayflower had a company which financed it; and, as we suggested, the chartered company has played a notable part in the creation of the empire emigration, to put it shortly, must have an organized and continuous impetus if it is to be successful.

Russia Sells Bonds

Regina Leader-Post.—One of the favorite themes of Socialists and Communists in this country, and elsewhere, has been the bondholder. He has been described as a parasite and a gouger, the villain who made it impossible for others to live. Governments have been attacked for dealing with bondholders when governments needed money. It has been frankly stated in Saskatchewan that the governments should create money for themselves instead of going out and paying interest to parasites. It has been intimated to the people that a country could get along quite well without bondholders and iniquitous interest. Have we not heard it said that there has been more thought given to bondholders than to human values?

And yet in recent days the newspapers have carried the information that the Government of Soviet Russia is floating a loan in the United States.

We are greatly surprised at this bond issue. Why doesn't the Russian Government create credit for itself, as has been suggested could be done in Canada—instead of going abroad and raising funds? Why should it pay seven per cent to bondholders? Why should it create another set of bondholders and place itself in tribute to the folk with money? The moneyed interests in this case appear to be of a minor class, the average sale per head in the United States being $1,000.

Is there something wrong with this idea that governments can create plenty of money and credit that will make everybody happy or has Russia passed into capitalistic hands?

Produce More Shoes

Continued expansion is recorded in the leather boot and shoe industry, tho output for the month of June amounting to 1,965,647, an increase over the preceding month of 211,083, or 12 per cent, and an increase over the month of June, 1932, of 406,455 pairs, or 26 per cent. The June production this year is the largest recorded for any month since January, 1929.

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"WHY DON'T YOU SHOW THE PUBLIC what's under the hood of your car?"
Says David P. Connery

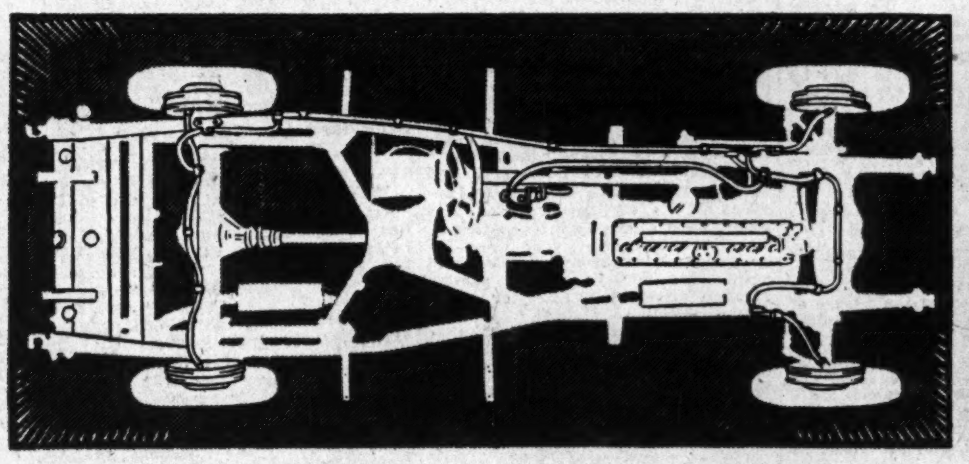
AUTOMOTIVE EDITOR, BORDER CITIES STAR

Alright, Mr. Connery, . . . that's what we've done.

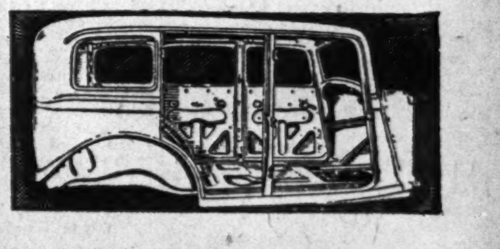
The Chrysler Motors Quality Exhibit in the Automotive Building at the Canadian National Exhibition shows the public most of the things we would show them if they came to one of our factories.

After your years of experience in trying all the new cars and writing about them you should know what you are talking about. We think you are right in saying that "Motor car owners have cut their eyeteeth and want actual demonstrations of quality instead of vague claims about performance, economy, comfort, etc."

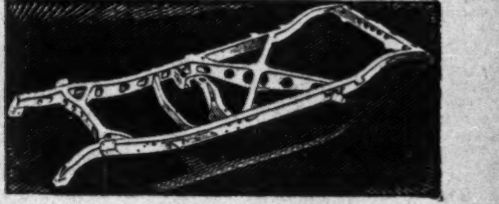
See Chrysler Motors Quality Exhibit. See and hear the talking pictures, "Three a Minute", "Front Page News", "The Power to Win" and "Thoroughbreds". See the miniature Plymouth Factory in operation. See the old and the new type of motor car frames and learn what they mean in comfort and safety.



Chrysler Motors hydraulic brakes are the safest, smoothest brakes known. They stop your car on a dime . . . are always equalized and never need lubrication.

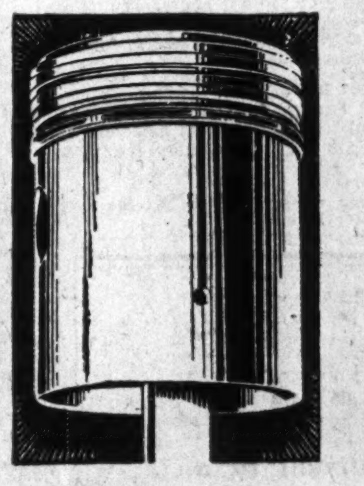


Chrysler Motors all-steel body is the safest type of body. Nothing to rot. Nothing to squeak or rattle because the body is electrically fused into one shock resisting whole.



Chrysler Motors double-drop X type girder-truss frame with box channel sections is 14 times as rigid as a conventional frame. See these features at Chrysler Motors Quality Exhibit.

All Chrysler Motors cars are fitted with hard alloy exhaust valve seat inserts. These are postponing valve grinding for 30,000 miles and more.



All Chrysler Motors cars are fitted with 4-ring alloy pistons. They are light weight and so cut down gasoline consumption and make a speedier car.

Without Floating Power engine mountings, engine vibration is transmitted through the frame of the car to the passengers. Makes the car "jitter".

All Chrysler Motors cars have genuine Floating Power which absolutely smothers engine vibration. The car is smooth. No vibration. No "jitter".

Look at the engine in its genuine Floating Power engine mountings. Examine the modern all-steel body, electrically fused into one piece . . . the strongest, safest body known.

Then look at the beauty of the Plymouth, Dodge, De Soto and Chrysler models displayed. They are the biggest motor car values you can find anywhere.

Ask at Exhibit for your copy of "Let's look under the hood".

CHRYSLER MOTORS QUALITY EXHIBIT
AUTOMOTIVE BUILDING, CANADIAN NATIONAL EXHIBITION

Utilities and Transportation

INTERNAT. HYDRO SHOWS SURPLUS SECOND QUARTER

Further Funding of Short Term Debt Takes Place

From Our Own Correspondent

MONTREAL.—International Hydro-Electric System, a division of International Paper and Power Co., reports a surplus of $174,799 after payment of preferred dividends during the quarter ended June 30, 1933, compared with a surplus of $223,646 for the corresponding period of last year.

Since April last the system reports a continued improvement in electric sales to subsidiary companies. While the balance added to consolidated surplus during the second quarter of 1933 was still slightly less than the corresponding figure for 1932, the decline is more than accounted for by the loss incurred on foreign exchange.

Operating revenue was practically unchanged from the second quarter of 1932 and the decline in other income was more than offset by operating economies. Contrary to the usual seasonal trend, earnings for June this year showed an increase over May.

Fund Short Term Debt

In discussing the general debt position of the system, Archibald R. Graustein, president, states that the consolidated short term notes payable of New England Power Association and subsidiaries have been further reduced and at the end of July last aggregated $2,346,081, of which $1,000,000 was bank debt payable by an operating subsidiary. This compares with $9,636,081 at the close of 1932 and $6,346,081 at March 31, 1933. A portion of this reduction was effected out of proceeds of $2,000,000 three-year 4¾ per cent notes issued by Connecticut River Power Co. in January, 1933, and of $3,000,000 first mortgage 5 per cent bonds, series C, due 1958, issued by the Narragansett Electric Company in July, 1933.

Details of Income

Comparative figures showing the income account for the second quarter of 1933 and 1932 follow:

Quarter Ended June 30

	1933 $	1932 $
Total rev., incl. other income	14,823,333	15,425,260
Net rev. before int., deprec., etc.	8,386,322	8,595,311
Int., disc., & divds. & amounts applic. to min. stocks of subs. etc.	6,899,437	7,017,268
Depreciation	1,189,247	4,229,445
Bal. for divds. on System stocks	297,638	348,598
Divds. on System stks.:		
Pref. stk., convert. $3.50 series	122,839	124,952
Class A stock	*	*
Bal. after divds.	174,799	223,646

Drop in Gross Income

For the twelve months ended June, 1933, cumulative returns indicate a drop of about $3,600,000 in gross income, from the preceding year while net revenue is down only $800,000. After taking care of prior charges and a larger reserve for depreciation, the balance available for dividends on system stocks was $2,134,762 compared with $3,364,479 in the year June 30, 1932. Deducting dividends on the preferred shares, earnings on the system's Class A stock were equivalent to $1.92 a share as against $3.34 a share in the year previous.

Particulars of the income accounts for the twelve months ended June 30, 1933 and 1932 follow:

Twelve Months Ended June 30

	1933 $	1932 $
Total rev., incl. other income	61,236,161	64,823,115
Net rev. before int, deprec., etc	34,977,368	35,740,905
Int., disc., & divds. & amounts applic. to min. stocks of subs. etc.	27,840,996	27,640,456
Depreciation	5,001,610	4,735,970
Bal. for divds. on System stocks	2,134,762	3,364,479
Divds. on System stks.:		
Pref. stk., convert. $3.50 series	487,530	499,807
Class A stock	*	*1,286,700
Bal. after divds.	1,647,232	1,577,972

*Unpaid cumulative dividends on class A stock from April 1, 1932, to June 30, 1933, amount to $2,145,492.

In the above statement all figures have been stated at parity of exchange without adjustments of differences between Canadian and United States funds. It is the practice of the company to take into current operations any profit or loss on exchange at the time funds are actually transferred.

Canadian Car Reopen Amherst Rolling Mill

From Our Own Correspondent

MONTREAL.—Amherst rolling mill of Canadian Car and Foundry Co., closed down during the last half of July, has been reopened to provide stock for the main plant in Montreal. Before this work is completed it is hoped that other business can be developed in Nova Scotia and New Brunswick. Approximately 110 men have been given work by the reopening of the plant.

23 Utilities' Stock Values Up $165,000,000 for 1933

From Our Own Correspondent

MONTREAL.—An appreciation of $165,000,000 in the market value of their junior stocks since the beginning of the current year, is the record of 23 of the leading Canadian utilities.

At the close of 1932 the value of these companies' stock was $603,961,567. At one time in the past eight months their collective valuation had dropped to $467,311,276. Again they touched a high of $921,767,822, while the current market is $769,047,401.

Expressed in percentages, current valuation of the 23 companies' stocks is 16.8 per cent from the high in 1933, but 27½ per cent greater than at the close of 1932. From the low point this year to the current level, the utility stocks have appreciated 64 per cent in valuation.

Some Gain; Some Lose

In comparing the individual company returns, it is interesting to note that 16 of the 23 have a current valuation greater than at the beginning of the year. Barcelona, Brazilian, B. C. Power, Quebec Power and Shawinigan have made the best advances. The stocks of Beauharnois, Manitoba Power, Montreal Tramways, Ottawa Power and Ottawa Traction are currently selling for less than at the close of last year. The market value placed against the stocks of East Kootenay and Winnipeg Electric is a nominal one and has shown no change this year.

The following table shows the comparative price range of the 23 leading Canadian utility stocks:

MARKET VALUATION OF 23 LEADING CANADIAN UTILITIES' STOCKS

	Close 1932 $	Low $	High $	Current $
Barcelona	18,438,243	17,988,540	30,580,518	30,580,518
Beauharnois	6,096,000	3,971,000	6,477,000	3,971,000
Bell Telephone	69,499,449	61,606,160	92,794,278	86,248,624
Brazilian	65,005,855	49,193,620	133,525,540	101,901,070
B. C. Power "A"	17,250,000	14,000,000	28,000,000	24,500,000
Canada Northern	5,062,500	4,500,000	6,646,250	6,000,000
Canadian Hydro*	9,750,000	8,500,000	16,250,000	14,000,000
Canadian Pacific	199,000,000	120,600,000	289,440,000	227,800,000
Consumers Gas	23,753,288	23,893,840	26,704,880	25,902,120
East Kootenay	90,000	90,000	90,000	90,000
Inter. Power	283,925	283,925	528,050	346,830
Inter. Utilities "A"	868,434	664,972	1,694,837	1,240,062
Manitoba Power	1,200,000	525,000	525,000	525,000
Montreal Power	136,912,212	117,599,835	198,410,485	171,476,935
Montreal Trams	7,350,000	4,900,000	7,000,000	7,000,000
Ottawa Power	3,150,000	7,800,000	3,220,000	3,080,000
Ottawa Traction	560,760	280,380	448,608	294,399
Power Corp.	3,234,138	2,676,528	7,025,886	4,014,792
Quebec Power	6,914,975	6,085,178	13,276,352	11,063,960
Shawinigan	21,782,250	21,107,937	48,466,062	40,297,250
Southern Canada	6,000,000	4,800,000	7,800,000	7,100,000
United Securities	1,025,220	999,589	1,537,830	1,280,525
Winnipeg Electric	734,316	244,772	1,346,246	734,316
	603,961,567	467,311,276	921,767,822	769,047,401

* First Preferred.

WAGE BOARD BACKS WINNIPEG ELECTRIC

Lower Wages for Employees Set Out in Majority Report

From Our Own Correspondent

MONTREAL.—Present necessities of the company make it impossible for Winnipeg Electric Co. to continue paying present wages. This is the majority finding of the board of conciliation in its report to the Dominion Department of Labor on the wage dispute between the company and its employees.

Some reductions must be recommended, says the board's report, which goes on to say:

"We do not overlook the fact that the almost universal application of reductions to wage rates in recent years amply justify reductions with these employees, but at the same time we feel they are not so highly remnuerated.

"For the employees in the traffic department, mechanical department and track department of this utility, we recommend that the reduction which the men have now taken be carried further to a point 15 per cent below the peak wages of the wage scale in effect immediately prior to February 1, 1932; provided, however, that no such further decrease shall operate so as to reduce the rates of wages of any regular employee, exclusive of apprentices, below the level of 38.3 cents per hour, which, we understand, is the rate paid by the city of Winnipeg for common laborers.

"Because of what has transpired since April 30, 1933, we recommend that this cut become effective August 1, instead of May 1, 1933, as requested by the company.

Gas Workers Unaffected

"For the employees in the gas department, the members of the board with the parties interested visited the gas plant and observed the nature of the work and conditions of employment of these men and now feel that in view of the fact that in February, 1933, they took a ten per cent cut from the 1931 level of wages, these employees because of the nature of their work should not be required to take a further cut, and the board so recommend."

The majority report, dealing with wages, was signed by Justice A. K. Dysart, of Winnipeg, chairman of the board, and Ernest T. Leech, of Winnipeg, representative of the company. The men's representative, Allan Meikle, did not sign the recommendations concerning wages.

C. S. L. Extend Season for Passenger Vessels

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines announce the extension of their passenger services on the Niagara, Toronto-Montreal and Montreal-Quebec-Saguenay divisions from September 10 to 17.

3 RIVERS TRACTION CHANGE OVER TO BUS

Shawinigan Subsidiary Gives Up Use of Street Cars

From Our Own Correspondent

MONTREAL.—Three Rivers Traction Co., a wholly-owned subsidiary of Shawinigan Water and Power Co., has been authorized by the Quebec Public Service Commission to discontinue street car service in Three Rivers and Cap de Madeliene.

Owing to financial losses in operation of its tramway service over a length of 9.1 miles, the company applied to the commission for permission to abandon its street car service and inaugurate, instead, autobus transportation service. The tramway service had been supplemented by autobus, but owing to continued losses, the company sought permission from the municipalities of Three Rivers and Cap de Madeliene to discontinue the street car service. This permission was granted by both municipalities and concurred in by the commission which authorized the continuance of the bus service.

Maintain Bus Service

The autobus service will be maintained by the Three Rivers Traction Co. according to the terms of the resolutions adopted by the two municipalities. These outline the routes which must be taken by the autobuses, the time of their runs, fares to be charged, transfer privileges to be extended, etc. Also they decree that both municipalities will be responsible for cleaning snow from the streets in winter time, and keeping the streets in good order, repairing them whenever necessary. And both municipalities decline all responsibilities whatsoever which may result from accidents in operation of the autobus services. The company, on the other hand, will not be held responsible for delays in service through unremoved snow or unrepaired streets.

It was on November 30, 1931, that the commission authorized the same company to increase its fares slightly in Three Rivers and Cap de la Madeleine, and to operate autobus service as an adjunct to the main tramways service.

Canadian Airways Machines Fly 6,401 Hours

From Our Own Correspondent

MONTREAL.—Canadian Airways machine flew 1,037 hours during June, bringing the total for the first half of the year up to 6,401 hours. The mileage represented by the hours flown was 92,818 in June and 583,737 for the six months period.

The company's machines handled 210,597 lbs. of mail, freight, express, etc., during June last, making a cumulative total for the half year of 1,241,870 lbs. In addition the company reports carrying 1,611 passengers in its machines for June, making a total of 5,328 for the first six months of 1933.

Banks Seek Security Of 150% Against Loans To Dosco Enterprise

Debenture Holders Asked to Approve Prior Lien Certificates Meet Apparent Desire of Bankers for Greater Security

WANT TO DEFER BOND OBLIGATIONS

From Our Own Correspondent

MONTREAL.—Dominion Steel and Coal Corp.'s bankers apparently are not satisfied with the security back of their loans and are asking the corporation to give them certificates, having priority over the debenture stock.

At the end of 1930 the banks had advanced to Dosco special loans of $4,530,000 which were secured by $6,612,447 of 6 per cent debenture stock. This is the same security which had been given to holders of Dominion Iron and Steel Co. consolidated first mortgage bonds and currency series bonds. In addition the banks had current loans of $904,826 secured under Section 88 of the Bank Act.

The balance sheet for the year ended December 31, 1932, shows an increase in loans. The special loan remains unchanged, while current loans have increased to $1,356,575.

Want Additional Security

No details are available as to the security back of these loans, other than the deposit of $6,612,446 of debenture stock. This does not appear to meet with approval of the banks. In order to comply with the wishes of the bankers, the corporation has called a special meeting of the debenture holders on September 20 next when they will be asked to vote the creation of prior lien certificates, the whole or part of which, will be handed over to the banks as additional security for their loans.

Put up With Banks

The issue of prior lien certificates will be limited to $3,500,000 in principal amount, bearing interest at 6 per cent per annum and maturing September 1, 1939.

It is proposed by the management to use as collateral security to the banks such principal amount of these certificates, together with current assets which at May 31, 1933, were estimated to have a security value approximating 125 per cent of bank loans then outstanding, as will give the banks at all times a total security of 150 per cent of the amount of their loans to the corporation.

The banks will undertake not to dispose of the prior lien certificates lodged with them at a price less than par, unless an offer to sell the securities at par is made by the banks to the trustee for submission to the debenture stock holders and such offer shall not have been accepted within a period of six months from the date of the delivery of the offer to the trustee.

Waive Bond Interest

The position of the company and the bankers' loans also will be strengthened by further concessions asked of the debenture holders. The latter are being asked to consent to the postponement of interest maturing between March 1, 1933, and September 1, 1933, and September 1, 1935, and to waive the sinking fund payments due January 1, 1933, 1934 and 1935.

Payments on account of these deferred installments of interest are to be made on May 31 and November 30, 1934, and each year thereafter, but only on condition that such payments shall not reduce the working capital of the corporation below $3,000,000, and that no payment of less than 1 per cent shall be made on any of the new interest dates.

"In Return We Give"

In return for these concessions, the corporation offers the debenture stock holders an increase in the interest on their security from 6 to 7 per cent. Further it agrees that no dividends will be paid on any class of its share capital until all arrears of postponed interest have been paid off and the corporation shall have provided an additional sinking fund payment under the trust deed securing the debenture stock equal to the payments waived.

Sharp Drop in Earnings

Further shrinkage in earning power and a further decline in working capital are shown in income account and balance sheet for 1932 attached to the notice sent out by Dominion Steel and Coal Corp., calling the special meeting of debenture holders.

Combined profits from operations and returns from investments after deducting manufacturing, selling and administration expenses, but before charging sinking fund, depreciation and interest on funded debt, amounted to only $112,987 in 1932. This compared with $813,736 in 1931.

Sinking fund, depreciation, depletion, interest charges wiped out the previous profit and loss balance of $305,969 and set up a deficit of $867,712.

Gain in Bank Loans

The financial position of the company, as shown in the balance sheet dated December 31, 1933, indicates a further weakening. There was an increase in current bank loans during the year, which with the special loans of $4,530,000, now amount to $5,886,575 compared with $5,434,826 at the end of the previous year.

On the other hand outstanding funded debt has been decreased by $271,006 owing to operation of the sinking fund on Dominion Steel Equipment Bonds and Cumberland Railway and Coal Co. bonds. The company's own bonded debt remains unchanged at $13,499,994, of which $6,612,446 is pledged as security for loans and $6,887,547 is in the hands of the public.

Deferred payments on properties are slightly lower, while operating and contingent reserves have been increased from $1,248,849 to $1,366,802.

Assets of the company are shown on the books at $47,391,483 against $48,271,334 a year ago. Property account remains much the same. Investments in associated companies, cash in hands of trustees and bonds purchased, show little or no change.

Balances receivable from associated companies have moved up from $883,628 to $1,346,433.

Reduce Inventories

Among current assets it is noted that inventories have been reduced from $6,268,191 to $5,500,416, while accounts receivable have advanced from $1,354,348 to $1,665,169.

The income account for the past three years, together with an outline of working capital position during the same period, follows

	1932 $	1931 $	1930 $
Oper. prof.	112,987	813,736	2,296,390
†Deduct	605,065	587,368	*758,497
Balance	*492,078	226,368	1,537,893
Interest	681,602	798,497	679,458
Balance	*1,173,681	*571,129	858,433
Prev. bal.	305,969	878,098	......
P. & L. bal.	*867,712	305,969	858,433

†Provision for sinking fund, depreciation and depletion of minerals.

*Deficit.

Working capital position compares as follows:

	1932 $	1931 $	1930 $
Curr. assets	7,798,752	8,449,500	11,280,737
Curr. liabs.	6,401,735	6,047,400	8,289,650
Work. cap.	1,397,017	2,402,100	2,991,087

Comments on Position

In his communication to the debenture stock holders, Sir Newton Moore, president, had the following to say, in part:

"When the corporation was formed in 1930 authority was given for the issue of $13,500,000 of these securities. Of this amount $11,417,550 was allocated to the retirement of the same amount of 5 per cent consolidated mortgage bonds of Dominion Iron & Steel Company then outstanding and approximately $2,082,450 to assist in providing funds for a cash payment to the holders of these consolidated mortgage bonds, the retirement of receivers' certificates then outstanding and the liquidation of other liabilities undertaken by the corporation.

"Of the securities issued under this authority $6,887,557.87 were exchanged for an equivalent amount of consolidated mortgage bonds outstanding in the hands of the public, $4,530,000 were exchanged for the same amount of consolidated mortgage bonds held by the banks as security for loans to Dominion Steel Corporation, repayment of which was undertaken by this corporation, and the remainder, $2,082,466.66 were issued for the purposes set out above.

Liquidate Liabilities

"Arrangements were made with the bankers of the corporation for advances required to liquidate the liabilities undertaken by it and for other immediate requirements of its business, for the repayment of which the usual security was given under the provisions of the Bank Act and by hypothecation of debenture stock and bonds amounting to $6,612,446.66, which still remain in their hands. After liquidation of obligations specified above, loans to the corporation and its subsidiaries by its bankers amounted to approximately $9,000,000.

"At December 31, 1930, when the first balance sheet was drawn up these were reduced to $7,533,178 and at December 31, 1931, to $5,434,825 and at December 31, 1932, they amounted to $5,886,575.

"This amount has since been reduced to about $5,000,000.

Outlay Totals $2,000,000

"In the period since July 1, 1930, when the corporation entered into possession of its properties, there has been expended upon additions to them and to those of wholly owned subsidiaries approximately $2,000,000 all of which in normal conditions would have yielded a very satisfactory return. In respect to one item, the erection of a modern electric power plant involving an expenditure of about $1,000,000, the resultant earnings even in existing adverse conditions have amply justified the expenditure. In addition to these expenditures upon the properties of the corporation some $681,000 was invested in the stock of an associated company drawing part of its raw material from the works of the corporation, which at the time the investment was made was paying substantial dividends and which may be expected to yield satisfactory returns as soon as normal trade conditions are re-established.

"In the first period of the operations of the corporation the results amply justified the forecast made in the proposals submitted for the retirement of the consolidated mortgage bonds of Dominion Iron & Steel Company and the acquisition by this corporation of the assets and undertakings of that company and those of British Empire Steel Corporation and Dominion Steel Corporation and their subsidiaries.

"In the following year the effects of the general depression were seriously felt.

"These results and the declining demand for the company's products, together with the probable continuance of adverse conditions, made the further payment of interest a matter of most serious consideration by your directors, but in the hope that there might be some improvement in the later months of the year the interest due on March 1 and September 1, 1932, was paid. As time passed without the hope of better conditions being realized it became evident that any further payment of interest or any attempt to deal with the sinking fund, the installment of which would become due on January 1, 1933, would result in impairment of working capital, which would not be in the interest of the holders of the securities of the corporation.

Will Avoid Receiver

"After the most earnest consideration the directors of the corporation decided that no other course was open to them but to submit its affairs to the holders of its securities and to ask them for their consent to the following proposals, the acceptance of which by them should enable the corporation to continue its operations without the appointment of a receiver or liquidator or any intervening agency which would involve unnecessary expense as well as impairment of its prestige and position as a going concern."

The properties of the corporation and its subsidiaries are in good condition, with sufficient stocks of raw materials to enable them to take advantage of any improvement in business conditions that may develop in the near future, signs of which are now apparent; contracts for sale of large quantities of ore now in abeyance will become active as soon as conditions in the United States, Great Britain and Germany correct themselves.

Bankers Will Not Vote

"The bankers of the corporation have intimated that it is not their intention aither to attend for quorum purposes or to vote the debenture stock and bonds which they hold as collateral security upon the resolutions to be submitted at the proposed meeting."

B. C. Electric Railway Claims Operating Loss

From Our Own Correspondent

VANCOUVER.—The B. C. Electric Railway may be compelled to revert to the former rate of eight tickets for twenty-five cents for school children owing to losses being incurred on the present rate, E. H. Adams, vice-president, and E. W. Arnott, transportation assistant, told the city council at a recent conference.

"We are not even paying our operating costs out of gross revenue, let alone getting a return on our $11,500,000 investment," said Mr. Adams, explaining that the company in 1933 will carry 12,000,000 fewer passengers than it did in 1929, and receive $800,000 less, although it is giving more care-miles service."

Southern Canada Power Earnings Off for July

From Our Own Correspondent

MONTREAL.—Both gross and net operating income of Southern Canada Power Co. was on a lower scale in July last than for the corresponding month in 1932. Gross revenue last month totalled $169,139 as compared with $173,720 a year ago. There was a slight increase in operationg expenses, leaving net income at $100,570, or $6,642 less than in July, 1932.

For the 10 months ended July, 1933, the company had a gross income of $1,761,551, a decrease of $106,099 from the $1,867,650 reported for the same period of the preceding year. Operating expenses were reduced by $62,858, leaving net income at $1,170,549, or $43,241 under that reported in 1932.

Public Utility Earnings

INTER. HYDRO-ELECTRIC SYSTEM
Quarterly Earnings‡

	Quarter Ended June 30 1933 $	June 30 1932 $
Gross revenue	14,823,333	15,425,260
Less: Oper. exps.	4,110,810	4,516,272
Taxes	1,550,973	1,512,514
Maintenance	775,228	801,163
Net revenue	8,386,322	8,595,311
Less: Bond int. etc. of subs.	3,353,209	3,428,381
Bond int.	450,000	450,000
Deprec.	1,189,247	1,229,445
Disc. & exp.	223,074	286,661
Inc. tax res.	489,225	472,229
Divs. of subs.	2,124,322	2,138,990
Min. int. in subs.	259,607	241,007
Net profit	297,638	348,598
Less dividends:		
Preferred	122,839	124,951
Class "A"	†	....
Surplus	174,799	223,647
Add: Prev surp.	8,928,040	7,231,961
Balance forward	9,102,839	7,455,608
*Profit.		
Earns. per Share and Div. Record:		
Pref.: Earned	$2.06	$2.41
Paid	0.875	0.875
Cl. "A": Earned	0.20	0.26
None paid.		

†Unpaid cumulative dividends on the Class "A" stock from April 1, 1932, to June 30, 1933, amount to $2,145,492.

‡Stated at par of exchange without adjustments of differences between Canadian and United States funds. Any profit or loss on exchange usually taken into current operations at time funds are actually transferred

SOUTHERN CANADA POWER CO.

	1933 $	1932 $	Decrease $
July:			
Gross earn.	169,139	173,720	4,581
Oper. exps.	68,569	66,508	*2,061
Net earn.	100,570	107,212	6,642
10 Mos. to July 31:			
Gross earn.	1,761,551	1,867,650	106,099
Oper. exps.	634,243	697,101	62,858
Net earn.	1,127,308	1,170,549	43,241

*Increase.

BRITISH COLUMBIA POWER CORP.

	1933 $	1932 $	Decrease $
July:			
Gross earn.	1,003,177	1,065,956	62,779
Oper. exps.	710,063	766,167	56,104
Net earn.	293,114	299,789	6,675
Bond int. & pref. div.	207,181	207,398	414
Balance	85,930	92,191	6,261

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Province of British Columbia
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—is the fact that all recommendations are absolutely definite and all outstanding commitments are reviewed each week until the opportunity has been presented to close them out in accordance with the recommendations. You are never left hanging in mid-air.

We Caught the Break

The July 10th issue of "Market Action," summarizing the condition of the market, said:

"We expect a major reaction to begin either Saturday or Monday. It should eventually carry prices down to about the September top of 81.39."

Prices reached their highest level, 110.53, during the forenoon Tuesday (the 18th) and by Friday had declined to 84.45.

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News of Investment Markets

FAM. PLAYERS TO PAY OCT. 1 BOND INTEREST

Some Improvement Noted in Box Office Receipts Lately

GOOD PICTURES

Starts Exceptional Films in New Season Starting September 1—N. L. Nathanson Hard at Work

On the very best authority The Financial Post understands that interest on $5,406,500 6 per cent first mortgage bonds and $2,794,000 of 6½ per cent debentures of Famous Players Canadian Corp., will be paid on October 1 without doubt. Various security holders in the last few years of low business for movie houses have on each semi-annual occasion that interest was paid began to wonder if interest could be met six months later. Their anxiety was increased by the fate which overtook Paramount Publix, now operating in bankruptcy in New York City, and they have been hoping that receipts will move upward along with general business and thus enable them to put anxiety finally behind them.

The period of absolute assurance has by no means arrived. The election of N. L. Nathanson on June 1 as president of the company, which he was mainly instrumental in building up from the management angle, has increased confidence of bondholders in the ultimate fate of the company because of Mr. Nathanson's notable record in the good days before 1930 when he resigned.

Goes West and East

Mr. Nathanson has displayed all his old energy since stepping back into the chief position of management. He has delved into all the facts concerning company finances, receipts of individual movie houses and policies and contracts for pictures to be shown throughout Canada. Along with J. J. Fitzgibbons he has made a tour of Western Canada and is believed to have visited every property under the company's control throughout Canada. There have been many changes in management of theatres in Western Canada, changes which mean a re-shuffling of present employees to suit individual tastes and capacities rather than a bringing in of new blood.

On his return to Canada conferences lasting a week or more of managers from all parts of Eastern Canada permitted everybody in a responsible position in dealing with the public to express his views as to proper measures. The next day N. L. Nathanson was on his way to Europe to make further arrangements for the entertainment of Canadians during the next year.

Bringing British Stars Out

It is too soon to say what the results of these efforts will be. There has been a noticeable improvement in box office receipts in theatres of the company as compared with the Summer season of 1932. There is encouragement for the company also in the fact that it believes that it has a better list of attractions, British and Hollywood films both, than it has been able to offer for many years.

In an interview recently in The Victoria Times Mr. Nathanson expressed as follows his policy with regard to British films:

"Canada may now safely look forward to an ever-increasing proportion of British films, films worthy of patronage, not because they are British, but because they are as good as any in the world.

"I can assure the public that fully 25 per cent of its films during the coming year will be of British make and this proportion will show rapid growth hereafter.

"When an all British film like 'Sunshine Susie' can be a close runner-up for gross receipts for a year, the public is surely convinced of the merit of British pictures. I am afraid we have kept the British cinema artists as strangers hitherto, but in the coming year we shall arrange many personal appearance tours for these popular actors and actresses whom every Canadian film-goer would like to see, and knowing these British film personalities as I do, I can predict an even greater interest in their film vehicles. The result will be a stronger cultural bond with the mother country and a progressive improvement in the quality of British films."

Pictures Are Better

The new year of Famous Players really starts on September 1 though its fiscal year ends on the Saturday nearest December 31. It will begin then to show the public some of its best films. Pre-views have convinced managers that pictures have improved and that this improvement will show in box-office receipts. The new English pictures especially continue to show improvement and are expected to be first class box office attractions. Executives are inclined to adopt a "wait and see" attitude but they are confident that the pictures themselves are better. The definite relation of box office receipts to the activity of general business makes them cautious, however. Canada is a large place and the theatres are in every urban section of it.

The obligation on the moving picture industry in the United States to form a code under the National Recovery Act may have some repercussions in Canada. It may have an effect on costs of films from Hollywood, for instance, but nothing can be certain until the Code itself has been formulated and accepted. The convention of Famous Players managers was with the object of getting as much unity and solidarity and esprit de corps into the organization as possible. One comment was that they were working out a code for the company for use in Canada. However, the main thing discussed was how to get more people into theatres.

A week ago there was talk of a strike of motion picture projection operators but N. L. Nathanson said there was harmony in Famous Players Canadian Corp. Members of the London, Ont. union talked of a strike by September 1.

British Investment Pressure Forced Consent to Loan

Various Canadian corporations, seeking to refinance some of their higher yield securities, have recently sounded out the British market but have been told to defer their requests for funds.

Following the successful flotation of the £15,000,000 Canadian Government loan in the London market other Canadian borrowers have attempted to take advantage of the extremely low rates for money prevailing in Great Britain but have been informed that Britain is not yet ready to release the controls upon the transmission of funds to overseas. But several large underwritings have been tentatively arranged, ranging up to operations as large as $15,000,000, and if the British Government in the near future lets down the bars there will be a flood of Canadian financing in London.

Chamberlain Rules

In international finance Britain is under a one man dictatorship, that of the Chancellor of the Exchequer, Rt. Hon. Neville Chamberlain, whose policy seems to be directed to the end of giving Britain a monetary war chest against any possible adverse development in the world, whether political or economic. Foreign financing has been rigorously forbidden, outside of refunding of loans of Britain's Dominions or her traditional friends, and Canada's loan was the first to be permitted in many months.

It is learned that permission was granted in the case of Canada as much on the insistence of the British investors as upon the urgent request of Canadian authorities. London is surfeited with funds, short term money hardly earning its keep, and long term investment funds returning a rate that, when income tax has been deducted, is distinctly unsatisfactory to the British investor. British investors got their first intimation that Canada wanted to borrow in London when the London Times published a cabled dispatch from Canada, quoting The Financial Post as saying that Mr. Bennett was negotiating a £10,000,000 loan. Immediately pressure was brought to bear on the treasury to permit the loan transaction to go through in order that investors might have a new use for their funds. It became apparent that a £10,000,000 loan—which was all Messrs. Bennett and Rhodes asked for—would be quickly snapped up and it was London investment influence more than the Canadian appeal that led to the amount of the loan being increased to £15,000,000. It is now history that the loan was immediately oversubscribed, books being closed one minute after they were opened. That is what happens when the British investor, parched on 3 per cent and 3½ per cent stuff, is given a chance to slake his thirst with a good 4 per cent loan.

Three Factors in Success

Thus three factors entered into the British Government's decision to permit the Canadian loan.

1. The demand of British investors for a chance at the higher yields offered by outside borrowers.
2. The desire to be of assistance to Canada and to meet a request of the Canadian prime minister.
3. The desire to bring Canada more effectively close to the sterling bloc even though she refuses to tie her dollar to the pound by administrative action.

Investment Notes

Plea For Price Bros. Preferred

I HEAR that voices are being raised in Montreal which ought to be echoed on this side on behalf of the holders of the preferred stock of Price Brothers & Co., the pulp and paper company," says the Stock Exchange Gazette, London, Eng., "This stock was bought here as a sound investment, but owing to a succession of disasters, which need not be detailed at this date, the company has been placed in bankruptcy. There are about $11,000,000 6 per cent first mortgage bonds outstanding, the banks and others are secured creditors for $3,836,000 and unsecured creditors make a total of $1,366,500. Then the $6,000,000 of 6½ per cent preferred stock rank for whatever may be left.

"It is a reasonable assumption that the surplus of assets in a bankruptcy sale would leave nothing for the stockholders; but it is also reasonably argued that the circumstances in this case have been exceptional and that in any scheme that is arranged provision might and should be made to give the preferred stockholders an interest in the equity so that they may share in a recovery in the Canadian newsprint industry instead of being entirely wiped out. It is reported that two offers have been made for control. The bondholders have a protective committee and another committee, on which English holders are represented, is watching the interests of the preferred stockholders."

* * *

New Loan is Trustee Issue

THE success of the Canadian loan surprised most people, and the London Stock Exchange Gazette reports that there has been such a brisk demand for it by investors whose allotments were below their expectations that the 'stags' have done uncommonly well for an issue of this nature.

"Canada does not bulk largely in investment lists in these days," it comments, "and many trustees have been glad to find a security that they could buy without feeling. We already have enough of that stuff. The new Australian loan has also been in demand and has crossed 100. At a premium over 100 it is no longer purchasable as a trustee security because its life is now less than 15 years and it stands above its redemption value. The Canadian loan has 25 years' maximum life, and therefore could be purchased up to 115 as a trustee stock."

These are two major items in the remarkably good business being done in August by the London Stock Exchange.

* * *

Empire Whiskies for U. S.

INTEREST in all leading Canadian distillery company stocks keeps up. Prices are very high as compared with six months ago, though low compared with the heights achieved when the distillery fever first struck the market.

Canadians are not the only ones to expect that the United States thirst will provide fortunes for distillers who have large stocks in hand. The Wall Street Journal quotes an English distiller visiting the United States to the effect that the possibilties of the United States trade are being taken so seriously in England that some British legislators are worrying lest all the aged whiskies in Scotland and England leave those countries for the United States when the 18th Amendment is repealed. He stated that some action is being considered to conserve stocks for home needs.

It is also of great interest to brewers in Canada to note that this man states that the ale business of England and the stout business of Ireland expect to get some benefit. He added that hundreds of Americans had been over in the British Isles making arrangements to start a "wet" fleet moving with full cargoes as soon as it is legal.

It is possible that with all these preparations being made to send stocks into the United States as soon as it is legal and with considerable stocks already moving into the country to be ready for that period because the restrictions have been relaxed to a considerable extent, the price situation may not be so favorable as many now expect.

The unknown element also bulks very largely in that one cannot tell what the tax situation will be. It is likely, taking the Canadian precedent as guide, that both federal and state taxes will be large. There is an inclination in Canada to hope that the customs tax will not be high in the first four or five years until the United States industry has built up aged supplies. That, however, has still to be demonstrated. Certainly it will be high enough for the federal government to get all the revenue possible.

Meanwhile Walker's is taking no chances of being left ultimately on the outside. Construction of the new Peoria plant of Hiram Walker & Co., Ltd., will be started early in September, according to present plans. It will require four to five months to complete the initial building programme, so that the plant should be ready for operation by 1934. Bids on construction as well as equipment are being received by the architects.

The plant is designed to handle 25,000 bushels of grain daily, equivalent to 62,500 gallons of 190 proof spirits, or 125,000 gallons of 95 proof alcohol. The initial project, however, calls for a capacity of 20,000 bushels of grain with equipment for turning out 12,500 gallons of 190 proof spirits and 75,000 gallons of 95 proof alcohol daily.

Germanson Placers Now in Production

From Our B. C. Mining Correspondent

VICTORIA.—Latest word received here by the management of Germanson Placers, Ltd., with property on Germanson Creek in the Omineca district, states that operations are being carried on 24 hours a day. Report of a cleanup is expected during the next few weeks.

The property, owned and operated by a privately financed concern in Victoria, has attracted considerable interest since it was taken over by the present owners. Several years ago prominent engineers stated that it could not be developed for less than $250,000, but according to the directors, Robert McCorkell, the vendor and mine manager, has achieved the seemingly impossible by bringing it to the point of production with an expenditure of little more than $50,000.

After overcoming almost insuperable difficulties last year, washing with the big monitor was commenced late in the summer, but the early winter caught the operators unawares and froze the boxes up before a cleanup could be made. A few thousand dollars were taken out of a very small space, however, and early in 1933 work was again commenced and washing is now continuous.

Some idea of the difficulties may be gathered from the fact that the property is reached by way of Fort St. James. By pack train, or sled in the winter, the only method possible to enter by land, the trip from Fort St. James to the property takes six days.

Edmonton Records Growth

The annual civic census of Edmonton gives the city a permanent population of 79,231, an increase of 844 over 1932. Of the total residents, 61,406 reside on the north side of the river.

THRIFT STORES SCORE ADVANCE CURRENT SALES

Operating Profits in First Quarter on Larger Scale

From Our Own Correspondent

MONTREAL. — Thrift Stores Ltd., operating a chain of grocery stores in Montreal, report sales of $1,104,344 for the first quarter of the current fiscal year ended June last. This compares with $1,011,121 for the corresponding period a year ago.

Operating profits for the first quarter this year amounted to $32,434, a gain of more than $6,000 over 1932. After writing off a slightly larger depreciation charge, the balance was equivalent to $1.91 on the company's first preferred against $1.46 a year ago; on the second preferred $1.72, as against $1.23 last year; and 92½ cents on the common shares, compared with 63¼ cents in the first quarter of 1932.

Show Larger Surplus

Profit and loss and surplus account figures for the first quarter of 1933 and 1932 follow:

	1933 $	1932 $
Sales for period	1,104,344	1,011,121
Oper. profit	32,434	26,220
Deprec.	6,263	5,787
Net profit	26,170	20,432
Divids. pay.	9,669	7,786
Surplus	16,501	12,645

Larger Working Capital

The balance sheet as of July 1, 1933, compared with the same date last year, shows a decline of about $9,000 to $169,421 in fixed assets. Goodwill and leases are carried at the same figure, while prepaid expenses are about $10,000 higher at $23,709. Net working capital amounts to $366,831 compared with $336,658 a year ago. Capital account amounts to $462,750, a decline of $7,250, while surplus account is nearly $40,000 higher at $136,213.

In comparing the July 1, 1933, balance sheet with that at the end of the company's fiscal year on March 31 last, an increase of better than $7,000 is noted in fixed assets. No change has taken place in goodwill account, while prepaid expenses have increased by nearly $6,000. Net working capital is up $3,000, while surplus is $16,500 greater. Capital account shows no change.

C. N. R. PROPOSAL BUY C. N. E. ASSETS MEETS APPROVAL

Hon. G. N. Gordon Heads Small Group Opposed to Transaction

From Our Own Correspondent

MONTREAL.—Debenture holders of the Canadian National Electric Railways (the old Toronto Suburban Railway) have accepted the offer of the Canadian National Railways to purchase the company's assets on a cash basis of 25 cents on the dollar subject to the deal being ratified by the Canadian parliament.

In July, 1931, interest payments on the debentures were defaulted and in August a receiver was appointed to take over the property for the debenture holders. Two years later a meeting was called to consider the offer made by S. J. Hungerford, acting president of the Canadian National Railways, to buy the assets. The initial meeting did not produce a quorum and another meeting was called for August 17, in London, Eng. At this meeting the debenture holders accepted the proposal without dissent.

Toronto Group Opposed

A Toronto group of debenture holders are currently reported to be opposed to accepting the offer and it is stated that Hon. G. N. Gordon is undertaking a campaign against acceptance of the offer. Inasmuch as the proposal has been accepted by the London meeting, it is not likely that representations by the Gordon group will have any deciding influence on the termination of the deal.

The history of the Toronto Suburban Railway and the offer made by the Canadian National Railways was outlined in detail by The Financial Post in the August 17 issue. Briefly the road was not a paying proposition and the debenture holders took over two years ago. A committee of debenture holders investigated the affairs of the company and came to the conclusion that it could not be made to pay. Some of the debenture holders took the stand that the Canadian National Railways had a moral responsibility to make good on the debentures inasmuch as the road formed part of the System and the debentures appeared in the company's financial statement.

Both the trustee and the committee acting for the debenture holders were not altogether confident on the legal soundness of their position. At the same time the amount offered by the Canadian National Railways was regarded as being more than could be realized by liquidating the assets. The trustee strongly recommended acceptance of the offer and this decision was supported by the committee.

Bond Tenders

Sept. 1, 4 p.m., County of Lanark, Ont.—$35,300 5 per cent debentures maturing in 15 installments, payable September 1. Proceeds of issue to be used for highways. R. M. Anderson, county clerk, Perth, Ont.

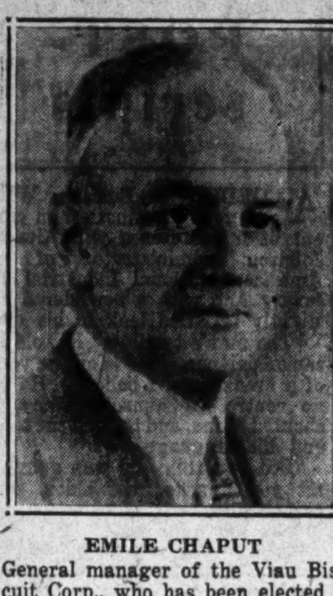
Aug. 28, 6 p.m., Town of Cornwall, Ont.—$24,015 20 installment debentures for local improvements. Alternative bids asked on 5 per cent and 5½ per cent coupons. Interest semi-annually; debentures payable March 1. J. G. Harkness, clerk and treasurer, Cornwall, Ont.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Peterborough, Ont.	Aug.	Direct	5½%	1963	6,980		
			5½%	1953	6,181	*100	5.5 %
			5½%	1948	4,200		
Brantford, Ont.	Aug.	Dominion Securities Corp.	5%	1935-52	111,600		
			4½%	1935-51	59,500		
Provincial—							
British Columbia	Aug. 21	A. E. Ames & Co., and syndicate	5%	1953	3,000,000	*94.25	5.47%

Elected Director



EMILE CHAPUT

General manager of the Viau Biscuit Corp., who has been elected a director of the company.

BOND MARKET REMAINS QUIET B. C.'S GO WELL

Seasonal Inactivity is Shown in Stability of Averages

A degree of inactivity not unusual in the summer months characterizes the bond market; volume of business is small and no new municipal financing has been announced but prices remain firm and there is an undertone of strength. Offering of $3,000,000 of British Columbia non-callable 5's, due September 1, 1953, is the high-light of the week. Priced at 94¼ the yield is 5.47 per cent which compares with a yield of 5.8 per cent on the Saskatchewan issue offered late in July. It is not to be expected that the new British Columbia issue will be sold immediately but it is reported that demand has been better than was anticipated and dealers are showing considerable interest.

The average yield on seven high grade Canadian bonds, as compiled by The Financial Post, has shown practically no fluctuation in the past week remaining fractionally above the 4.4 per cent mark. While no trend has been shown the average tends to reach lower levels rather than returning to levels prevailing earlier in August. The daily record for the current month is as follows:

Average Yield on Seven High Grade Canadian Bonds

Aug. 22	..	Aug 8	4.431
Aug. 21	4.401	Aug. 7	4.433
Aug. 19	4.406	Aug. 4	4.433
Aug. 18	4.406	Aug. 3	4.433
Aug. 17	4.406	Aug. 2	4.441
Aug. 16	4.406	Aug. 1	4.447
Aug. 15	4.397	July 2	4.506
Aug. 14	4.406	June 1	4.509
Aug. 12	4.413	May 1	4.655
Aug. 11	4.413	Apr. 2	4.670
Aug. 10	4.413	Mar. 1	4.640
Aug. 9	4.415	Feb. 1	4.597

Corporation bonds have fluctuated within very narrow limits with gains and losses about the same in number. Abitibi 5's are off another half point and the gains of June and July have been wiped out. Utility issues have been quiet although Shawinigan 5's of 1970 have gained two points and Gatineau 5's of 1956 are up a half point. The Gatineau 6's of 1941 remain unchanged with a street bid of 71 and Montreal Tramway 5's of 1941 and Bell Telephone 5's of 1957 also show no change.

COLOSSAL SALE OF LIQUOR TO U. S. NOT CONFIRMED

(Continued from page 1)

purposes. The 18th Amendment absolutely prohibits imports for beverage purposes and this ban would prevent transit as well. A United States authority informs The Financial Post that, under his interpretation of the law, permits would not be granted for liquor to come in for storing against the expected change in the law.

Bootlegging Goes Up

Apparently bootleggers still do an active if not a thriving business because of the $5 a gallon tax. Exports of Canadian liquor via the French islands of St. Pierre and Miquelon, base of Canadian liquor smuggling operations, increased in July to 57,031 gallons as compared with 54,482 gallons in the preceding July.

Up to July this year Canadian liquor exports were low. It is possible they were being conserved against demand from the United States. July statistics indicates a desire not to depend too much on this source. It is likely that smuggling operations will be kept up if the $5 a gallon tax is not reduced. Canada has 40,000,000 gallons of liquor in store.

Demand for Bourbon and rye whiskies in the United States will probably be large but there is not the same disposition in the industry to expect fancy prices as formerly. The attention of the whole world has been drawn to the new market. England, Ireland and Scotland will send fleets of vessels bearing whiskies. Other nations will be ready with their contributions. The smugglers will strive to keep in the game if taxes are high. Kentucky is pushing her moonshine activities to have lots ready for the demand. She is said to have 12,000,000 gallons in store already. If too much of it strikes the United States at once prices may be down instead of up.

The drug store restrictions have been relaxed but sales have been mainly of Bourbon whiskies made in the United States. Definite word as to "permits" is being sought by various investors in the hope that it will give a line on possible good business.

New Books

"The Theory of Unemployment"

No book for the average man is this new volume by Prof. A. C. Pigou, professor of political economy at Cambridge. Prof. Pigou apparently resents it a bit when economists advocate policies, and write books telling the world what it should do. Economists should be laboratory men, he thinks; physiologists and not clinical practitioners; engineers, not engine-drivers. Not only should the economist remain academic but he should not attempt to make his books light reading of his studies, if by doing so he conceals any of the basis for his conclusions. This is Prof. Pigou's view and in his preface to the "The Theory of Unemployment" he is mildly critical of the famous Prof. Alfred Marshall, his predecessor at Cambridge, for concealing the mathematical skeleton around which his "Principles of Economics" was built up.

From all this one may gather that "The Theory of Unemployment" is a scholarly and academic treatise, likely to be avidly devoured only in the laboratories of economics. Coming from Prof. Pigou it will be accepted as authoritative.

It is published by Macmillan Co. of Canada, Toronto, at $4.50.

Says Wheat Pool Action Caused Present Difficulties

Onus for the present wheat situation, in which European countries have raised their tariff barriers to such an extent that imports are almost impossible, and have increased production so that they are hardly necessary, is placed squarely on the shoulders of the Canadian Wheat Pool and the United States Farm Board, in a review of the situation by a London correspondent of the Norris Grain Co., Winnipeg. Prospects for the future are, however, brighter, he says.

The United Kingdom miller is supreme, this correspondent states, as he is the only importer of any quantity of wheat. His terms dominate the market. Despite the small crops in Canada and the United States, wheat prices remain at a low level owing to pressure from European and Southern Hemisphere countries and the North American farmer is reaping the trouble that was sown nine years ago.

The text of this correspondents report is as follows:

"We are now experiencing markets which are without parallel in the annals of the grain trade. Now, more than ever, is the evil wrought by the actions of the Farm Board and the Canadian Pool being made obvious to every one of us. It has taken nine years for the full effect of the hold-up policies of these two organizations to be felt. They threatened Europe and that threat forced the policy of increased production upon importing countries. Once this policy was instituted, the natural corollary was protection for it through the medium of quotas and impassable tariff barriers. Years ago, we wrote that Europe would come to look upon imported wheat as a luxury. Today that prophecy is completely true.

"The U. K. miller is paramount. All the offers of wheat which exporting countries, whether European or non-European, desire to make must be made to the U. K., because this country is the only really genuine cash buyer for any large quantity. We find today, Canada with barely half a normal crop, the U. S. A. with a yield far below her actual annual requirements, the Argentine has wisely disposed of so much of her 1932-1933 crop that her remaining surplus is not a burden, Australia the same. Yet, in face of all these facts, the price of wheat remains at a low level.

"What is the reason for this extraordinary state of affairs? It is that our millers are without competition in their buying. All sorts of wheats are now on offer from Europe. There are exportable surpluses in Russia, France, Germany and the Danube, and probably others will be added to this list when the harvests are all in. The British farmer urged on by the guaranteed price and generously aided by nature, has produced (although not yet harvested) a crop which is a very tangible contribution to our home requirements.

"What of the future? We hold the definite view that the very severe reductions which have taken place in America and Canada must eventually cause prices to rise materially. When the present pressure of European wheat is over—and it will not last more than two or three months—there will be a great change in the situation. For the first time for many years supply and demand are going to be much more evenly balanced. The buyer is no longer sitting in the comfortable position which he has occupied for so long. For the time being, the outlook is uncertain and the trend of prices will be merely an indication of a trade whose nerves are in a sadly shattered condition, but later on confidence will return and prices be adjusted to a higher level which will properly portray the tremendous alteration which has taken place in the whole position by reason of the destruction of over 50,000,000 quarters of wheat by the relentless hand of nature."

N. R. A. Raise Prices of Hardware Supplies

A revised schedule of prices issued on prepared roll roofing, shingles and building paper, shows revisions upward in price of most items. Higher prices are quoted this month on brass and copper sheets, rods and tubing, and trade prices on solid copper rivets are higher, on account of the firmness which is prevalent in ingot copper prices. Hickory handles for hammers, sledges and axes, have been raised in price, the advance varying according to the grade of hickory and averaging from 5 per cent to 15 per cent above former levels. A 5 per cent increase in price is also announced on two lines of enamel kitchen utensils, states Hardware and Metal, Toronto.

Advice of higher prices is being received by wholesale hardware firms from many U. S. manufacturers. It is stated that the operation of the N. R. A., bringing higher wages and shorter working hours into effect has affected costs, and prices are being advanced accordingly. Among the items recently advanced are American ammunition, guns, rifles, steel wool, certain padlocks, auto equipment, etc. Wire door mats have been advanced, and sheet zinc is quoted at a higher price by wholesalers. Because of the fluctuations which have carried grain prices down in the last two weeks, linseed oil is easier, and in some distributing points has shown a reduction in price.

Public Utility Earnings

Brazilian Traction L. & P. Co.

July:	1933 $	1932 $	Decrease $
Gross earn.	2,493,893	2,695,141	201,248
Oper. exp. .	1,062,677	1,079,050	16,373
Net earn. .	1,431,216	1,616,091	184,875
Seven Mos. Ended July 31:			
Gross earn.	16,384,214	18,118,899	1,734,685
Oper. exp .	7,415,448	7,577,162	161,714
Net earn. .	8,968,766	10,541,737	1,572,971

Canada Northern Power

July	1933 $	1932 $	Increase $
Gross earn.	299,895	280,288	19,607
Expenses ...	91,469	89,839	1,630
Net earn. ..	208,426	190,449	17,977
Seven Mos. Ended July 31:			
Gross earn.	2,087,171	1,994,485	92,686
Expenses ..	632,174	621,451	10,723
Net earn. ..	1,454,997	1,373,034	81,963

MR. PICOBAC CONFERS WITH A BANK "DIRECTOR"

In the course of his investigation into pipe-smoking conditions in Montreal, Mr. Picobac penetrated the sacred precincts of St. James Street, sometimes referred to as "the financial heart of Canada." Lost within the pillared temple of a great Canadian bank, Mr. Picobac was gazing about him in admiration.

"Can I direct you, sir," said the voice of a uniformed attendant at his elbow.

Mr. Picobac thus accosted, seized the opportunity of verifying his suspicion that the magnates of Montreal know more about the financial situation than they give out for publication. "Tell me, Mr. Director," said he, "where do we go from here?"

"We are going to slip down into the porters' room in the basement and have a mild ... cool ... sweet smoke", replied the "director." "Pleased to meet you, Mr. Picobac."

• • •

Mr. Picobac's genial countenance has become so familiar in the newspapers that he is now recognized on sight. He finds Picobac tobacco—the pick of Canada's burley crop grown in sunny southern Ontario—a "best seller" wherever he goes. Have *YOU* tried it? Get a package today.

—and don't forget, you get more tobacco for your money.

Good for making cigarettes, too.

Handy pocket tin, 15¢
—also in ½ lb. Humidor Tins

"IT *DOES* TASTE GOOD IN A PIPE!"

Picobac

IMPERIAL TOBACCO COMPANY OF CANADA, LTD.

Dominion Stores Sales Show Seasonal Decline

Sales by Dominion Stores Ltd. in the four weeks ended August 12 are reported at $1,441,313 as compared with $1,662,125 in the same period of 1932. Decrease of 13.28 per cent is larger than in the three preceding periods but is smaller than that shown in the first 16 weeks of the current year. Sales are usually smaller during July and August.

Total sales for the current year to August 12 are reported at $12,052,863, representing a drop of 14.87 per cent from sales of $14,158,591 in the same period of 1932. During the current year 52 fewer stores have been operated than in 1932.

Monthly Sales

Four week period ending	1933 $	1932 $	Decrease $
Jan. 28	1,398,267	1,749,931	351,664
Feb. 25	1,501,638	1,857,574	355,936
Mar. 25	1,555,614	1,885,675	330,061
Apr. 22	1,505,418	1,795,015	289,597
May 20	1,554,037	1,774,837	220,800
June 17	1,584,054	1,742,883	158,829
July 15	1,512,522	1,690,551	178,029
Aug. 12	1,441,313	1,662,125	220,812
	12,052,863	14,158,591	2,105,728

50 years on ST. JAMES ST.

HALF a century can write much history in the life of a young country, and it has been the privilege of this firm, for the past fifty years, to be associated with much that has been written in Canada.

Hanson Bros., Inc., was founded in August, 1883, and came into existence in an era of unusual interest, one characterized by great developments and remarkably rapid progress.

The result was that the firm was closely associated with many matters of far-reaching importance. Its facilities were used to finance developing cities and towns all over Canada; railways, harbors, tramways, power companies, industries, schools. It underwrote many Provincial and Government issues.

Its influence reached also beyond this country, for, through intimate connections with British financial houses, it played an important part in Newfoundland financing, in the development of railways in Cuba, and in light and power financing in Northern Mexico and Brazil.

Throughout its half-century of activity, Hanson Bros.' Head Office has always been on St. James Street, Montreal, never more than a few hundred yards away from its original site.

• • •

This month Hanson Bros. is celebrating its Fiftieth Anniversary. The history of the firm is told in a booklet, "Fifty Years on St. James Street". A copy will be sent on request.

HANSON BROS
INCORPORATED

INVESTMENT BANKERS — Established 1883
255 St. James Street, MONTREAL
56 Sparks Street, OTTAWA
330 Bay Street, TORONTO

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TORONTO, AUGUST 26, 1933

TARIFF ADMINISTRATION NEEDS COMMON SENSE

GENERALLY speaking, public opinion in Canada has been back of the Dominion Government in protecting Canadian workers through the depression by increasing the customs tariff and particularly in restricting the dumping at low prices of the surplus products of foreign manufacture. Not only to protect investors and workers, but also to protect our home financial position it has been necessary to enforce strictly regulations covering imports.

Nevertheless, the feeling is growing in Canada that the manner in which this policy has been enforced by the National Revenue Department has not only been too drastic and too brutal but has been unfair and often unjust. Officials of the department, it is felt, have administered the policy in a way that the country certainly never intended. Whether or not Mr. Bennett so intended is not clear. No doubt drastic restriction of imports has maintained employment in some industries and in other cases increased it, and even created new employment, but on the other hand it has upset and in many cases destroyed established commercial relationships and thus added to unemployment in certain fields.

The administrators of the Department of National Revenue have had a difficult task but the time has come when more common sense should be exercised, when the autocratic and offensive methods that have been used should give place to wise, fair, common sense administration.

RAILWAYS AND WAGES

THE joint manifesto addressed to their employees by the Canadian National and Canadian Pacific railways asking acquiesence in an additional 10 per cent reduction in basic wage rates, does not present the railways' case as strongly as conditions demand.

In their communication the railways hope the employees "will accord the companies the co-operation they so gravely need," and further that "the decline in traffic has placed the railways in a financial situation, the seriousness of which it would be difficult to overemphasize."

The accuracy of these statements is not to be doubted. The situation is serious. Further it is imperative that every conceivable step be taken to strengthen the financial position of the railways. If the railways collapse, the workers will suffer untold injury.

The railwaymen of Canada are asked to co-operate. Their opposition to the wage proposals is due more to ignorance of the seriousness of the companies' finances than to any desire to embarrass the railways. They are not out for their "pound of flesh." But they see the volume of traffic increasing and that means larger revenues. Why, then, should they make concessions?

In substantiating their stand, the railways point to the decline in cost of living, smaller volume of traffic, etc. As to their finances, the companies describe them as "serious." These arguments have been used whenever the matter of wages comes up for discussion. It is the old cry of "Wolf, Wolf!" to the worker and it is little wonder he shows an increasing disinclination to accept the present proposal.

The greatest argument the railways have to support their demand for lower wages is the state of their finances, a state in large measure created by excessive wage scales that were based on American politics and not on Canadian needs. But the companies cannot convince the workers, nor the public, unless they put all their cards on the table. The railways are not exaggerating when they talk of the seriousness of their finances. But for reasons of their own, they have not told the whole story. Were this done, they would not lack co-operation from their employees. But until all the facts regarding the ominous state of their finances are set forth in detail, opposition to further wage reductions must be expected.

N. R. A. FOR CANADA

THERE is a growing feeling in Canada among business men that something in the nature of the National Recovery Act of the United States should be tried in this country. So far, only the benefits to the industry have been stressed. In fact, the garment makers' code—so-called—does nothing more or less than attempt to eliminate unfair competition, without providing for the various benefits to labor which were an integral part of the United States scheme. However, this elimination of unfair competition would be such an inducement to manufacturers in this country, just as it has proven in the United States, that some concessions might well be given by industry to obtain it.

A prominent manufacturer of radio and furniture lines recently told The Financial Post that there were many sweat shops in his industry throughout Canada which produced goods for approximately the same amount as his overhead. Their labor was employed at very small wages and although the final product was not up to standard it did obtain a certain market and undoubtedly reduced the market for the regular manufacturers.

There is another type of competition which is proving most annoying to the regular manufacturers and that is a type which, for want of a better word, might be termed "planned bankruptcy." A small manufacturing concern starts up, obtaining materials on credit and selling the manufactured product considerably under the market. After carrying on in this manner for six months or so the firm goes into bankruptcy and pays 25 cents on the dollar.

Undoubtedly, the time is ripe for some control of this type of price-cutting. But it is yet to be proven whether the advantages gained by industry and even by labor under the American industrial regimentation are worth the price to be paid.

TRAINING IN POLITICS

BORROWING from British experience, Canadian political parties are holding this year summer schools to train young Canadian men and women in citizenship.

The Conservative Party is holding a summer school at Pickering College, Newmarket, under the auspices of the Federation of Young Canada Conservative Clubs. The object is to study Canadian economic and social problems and a very excellent group of authorities have consented to deliver addresses. The subjects do not in any way suggest a partisan nature but rather live up admirably to the declaration of purpose of the school, which reads as follows:

> "The time for the study of problems affecting the welfare of the Dominion is long past due. Clear-headed searchings into the roots of economic and social ills, and intelligent discussions as to possible developments are necessary. In order to encourage the study of Canadian affairs this school has been established."

The Liberal Summer Conference will be held at Trinity College, Port Hope. It is declared to be called for the discussion of present day problems by liberal-minded men and women of all parties and it is stated that the aim of the conference will be to provide the fullest scope for that free and informed discussion which is an essential characteristic of Liberalism wherever it may be found.

The group of speakers includes men of international reputation, among the names being those of Walter Lippmann, of the New York Herald-Tribune, Prof. MacIver of Columbia University, Sir Herbert Samuels, M.P., Prof. Shotwell of the Carnegie Endowment and Prof. T. E. Gregory of London.

These summer schools promise to develop into most useful institutions in Canadian citizenship. As a matter of fact so broad is the programme of each school that attendance at the sessions cannot help but impress upon young men and women who attend that there is more to politics than adherence to a party, that knowledge of the fundamentals of our national problems is an essential of good citizenship.

THE NEWER TRENDS IN MIGRATION

E. W. BEATTY, chairman and president of the Canadian Pacific Railway, has aroused some adverse comment by his declaration in favor of a renewal of British immigration movements to Canada. There are still many people in Canada who believe that our efforts to stimulate immigration have been more costly than successful and there are still a great many more people who have the idea that every new citizen comes here only to take a job away from some present industrial, or farmer worker in this country.

That our past immigration campaigns have been costly cannot be denied and that we have wasted a great deal of the money we spent in the promotion of immigration is likewise true. Realization of these facts should merely make us the more careful in outlining future immigration policies, and make us the more determined to get value for the money we spend.

The argument that new immigrants add to the total of our unemployed is one that simply is not applicable to the kind of immigration promotion that Mr. Beatty and other serious students of the subject have in their minds. It is not proposed by anyone that we should subsidize industrial workers to come to Canada looking for jobs in our factories. What is proposed is that we should organize community settlement, attempt to populate our agricultural districts with contented new settlers. An increase in our farm population cannot but create industrial employment in the country through enlarging the home market for our factories.

In the newer discussions on immigration emphasis is laid upon community settlement in the older areas, such as Ontario and the Maritime Provinces. In such communities, British citizens, banded together with their own schools, clubs, churches, etc., can find a happy self-sufficiency while their sons and daughters gain the acclimatization that will enable them, if they wish, to pioneer the fringe areas with some knowledge of Canadian soil, climate and general conditions.

Also our newer immigration policies should recognize that one of the objectives of the migration movement is to find new opportunities for unemployed Britishers who face no prospect at home brighter than continued existence on the dole. Migration is just as much a British problem as a Canadian—or Australian or New Zealand—problem. Britain should be ready, and there is evidence that she is ready, to capitalize some portion of her unemployment insurance benefits to invest in redistribution of population within the Empire.

WHY BRITAIN CANNOT DEFAULT WAR DEBT

THERE was more protest from British newspapers than from American newspapers the other day when the British Government made an offer to American holders of British external bonds which would enable the home government to get out from under its obligation to pay out gold coin in exchange for these bonds. Important London newspapers, usually inclined to speak in conservative tones, labelled the exchange of bonds a default by the British Government, even though acceptance of the offer was made purely voluntary.

No doubt the attitude of the British press was dictated by the fact that only recently they had accused the United States Government of the worst financial crime in history when it announced that it would no longer pay out metal under the gold clauses of its national bond issues. And the British investor had in mind also that the British Government has to be particularly circumspect in fulfilling its obligations to the letter since there are many foreign governments, owing money to British bondholders, which will gladly follow any British precedent that seems to offer them a chance for relief in the terms of their borrowings.

It is this desire to avoid giving a bad example to borrowers elsewhere in the world that has made the British Government's position in regard to its war debt to the United States a very delicate one. It is no secret that financial London views with alarm any proposal to default on this debt, which might encourage other Governments to default on their obligations, even if those obligations were of a less political nature.

In the long run the initiative in the solution of the war debt problem must come from the United States. The British cannot default outright and they know it. Even the British chancellor of the exchequer, who always threatens default until the moment when the current debt installment is paid in full or by a token on account, knows that the men who control British finance do not want Britain to default or seem to default.

The war debts problem will not be solved until there is a sufficiently strong body of opinion in business and political America to force the hand of Congress and the administration. The United States must be sold on the idea that there is more merit and more profit for itself in effecting a settlement of the debt than in attempting to collect in full. Malicious anti-American propaganda in French and British newspapers and even in some Canadian newspapers merely stiffens the resistance in the United States to an early settlement and makes more difficult the task of those who are working quietly across the border to make Americans realize that such a settlement is in their own interests.

EDITORIAL NOTES

Headline speaks of "Hog reduction plans." But who ever heard of a hog reducing?

* * *

"Who is this man Hitler," asked Crown Attorney Gibson in Toronto. Well, who is this man Gibson?

* * *

When the Rex broke the transatlantic crossing record did that make "her" Queen of the Atlantic?

* * *

Marconi says he can eliminate static from radio. With some programmes it wouldn't make much difference.

* * *

H. G. Wells expects the World State to arrive in 1990. He apparently clings to his faith in human nature.

* * *

May is the peak month for suicides. Shows what happens when the young man's March and April fancy lightly strays.

* * *

Herr Hitler has forbidden the use of cosmetics by Nazi women. There is more than one way of getting back at the French.

* * *

From different press reports of the Mitchell Hepburn picnic near St. Thomas we gather that there were between 100 and 100,000 people present.

* * *

The Liberals are protesting against allegations from the Conservatives that they are a "bunch of Communists." But isn't it true that in Canada a large part of our troubles are due to the fact that both Liberal and Conservative governments have attacked Socialism and Communism on the platform and yet borrowed too many of their policies in legislation?

POST-scripts

ACCORDING to Business Week, one young business man came out of a conference with General Johnson, administrator of the American National Industrial Recovery Act, with a bewildered and slightly terrified look in his eyes.

"The man's terrible!" he told his senior partner. "He is on the verge of a breakdown, I believe. He has no control of himself. Why, he shouted at me, and banged the table, and his language——"

"Did you think he was going to hit you?" asked the elder, sympathetically.

"No, not quite that."

"He's getting soft, then," said the senior. "I did business with him in war time."

THERE is still some international trade left in the world. A vacationing member of the staff sends a post card on the back of which is marked "Imprimé en Silésie."

Close students of the business trend will be glad to note that the post card records that "business in Bala is somewhat better, according to information obtained from sources usually regarded as reliable."

Speaking of post cards we dropped into one small Ontario shop, specializing in tourist trade. We lingered, as we always do, to look at the pictures in the post card rack. There were some choice museum pieces. One showed the lieutenant-governor of Ontario driving up to open the legislature. He was in a carriage drawn by six horses and was wearing a Prince Albert coat. The women around all carried parasols. Another showed the tallest building in the British Empire, the Traders Bank Building in Toronto. Another picture showed bathing on one of Toronto's beaches. The men's bathing suits hung around their knees; there were furbelows on their shoulders. The women's bathing robes were distinctly 1890.

Some firms figure their stock turnover in times per year; some in times per month. This shopkeeper, no doubt, will be satisfied if he turns his stock once in his life time.

Sayings of the Week

"We are a peaceful city."—*Mayor William J. Stewart, Toronto.*

* * *

"My trip to London might easily be described as the education of James Couzens."—*U. S. Senator James Couzens.*

* * *

"The artificial redistribution of money is always difficult. You don't always achieve what you want."—*Lord Macmillan.*

* * *

"It is essential that business people have more character, more stability and more moral purpose in life." — *Sir Josiah Stamp.*

* * *

"The Englishman wants good quality and will give a good price if it suits him."—*Hon. T. L. Kennedy, Minister of Agriculture, Ontario.*

* * *

"The whole New Deal must inevitably collapse unless it be made possible for industry and business to exist, to meet its bills."—*B. C. Forbes.*

* * *

"I firmly believe that somewhere in the world of international finance there is some diseased spot, but the ways to it are very tangled and complicated." —*J. P. Morgan.*

* * *

"In Eastern Canada, the farms are not run for the purpose of making a great deal of money in a short time, but for the purpose of providing a living."—*Sir Daniel Hall.*

* * *

"In every direction the boundaries of freedom are being contracted. What is more, the abandonment of liberty is being justified on every hand, not as a disagreeable necessity, but as the true ideal."—*Rt. Hon. L. S. Amery.*

* * *

"You don't have to preach honesty to men with creative purpose. Let a human being thrown the energies of his soul into the making of something, and the instinct of workmanship will take care of his honesty."—*Walter Lippmann.*

* * *

"A budget is a purse—a government budget is a governmental purse, full of other people's money. And those purse strings must be handled with frugality and care."—*Mrs. Jean Wittich, commissioner, Minnesota State Budget.*

* * *

"There should be an exchange of trade between Russia and Canada. There is no reason why we should not swap Russia $10,000,000 worth of cattle for a similar value in hard coal." — *Robert J. Cromie, Vancouver publisher.*

* * *

"If the N. R. A. is right! If the new deal is what the Federal Administration thinks it is, then my knowledge of economics is all wrong and has been wrong for 25 years; all of the college textbooks are wrong."—*J. Ralph Pickell, Forest Park, Ill.*

* * *

"The Liberal party as an official party is waning in all countries, except perhaps in America. But the Liberal spirit will never die. It is uncrushable. There is more Liberal thinking among men of all parties than ever before."—*David Lloyd George.*

* * *

"Until very recently the French-Canadian race has had but one form of wealth, namely fundamentally sound men and women and our race is gradually losing that wealth through the continued movement from the farm to the city." — *Cyril Vaillancourt, president of La Federation des Caisses Populaires (rural banks).*

* * *

"Competition, whether or not it be the life of trade, is the mother of efficiency. If ever that virtue was necessity, today is that time. Without it neither higher wages nor more profits will be possible. Without competition we fall into the self-satisfied state of mind of monopoly, in which efficiency ceases to be an important factor. And the consumer must pay the bill." — *Percy S. Straus, president, R. H. Macy & Co., New York merchants.*

"Stop Me If You Have Heard This One"

A kind-hearted English vicar one day observed an old woman laboriously pushing a perambulator up a steep hill. He volunteered his assistance, and when they reached the top of the hill said, in answer to her thanks:

"Oh, it's nothing at all. I'm delighted to do it. But as a little reward, may I kiss the baby?"

"Baby? Lor' bless you, sir," she returned, "it ain't no baby, it's the old man's beer."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

ECONOMIC SELF-SUFFICIENCY STILL IN ASCENDANT

THE breakdown in London made it rather clear that the post-war cycle of economic nationalism has not run its course. Economic writers would not have bothered to coin the new word "autarchy" for it if they had thought it was a spent force. It is not really, of course, a new word. As early as 1643 the word autarchy was used in the sense of self-sufficiency. Its other meaning is self-government as though political independence and economic independence were inextricably intertwined.

For some years practically all of the economists, not only the practical and the empirical commentators, but the ad hoc economists, the so-called parlor planners, have been telling us that the world can find no true prosperity without razing of the numerous barriers to the world flow of merchandise and capital that have grown up since the war as nations have fought for individual vantage points of economic, political and social security. Yet the race of the nations to equip themselves with fiscal and financial armaments and munitions has not been sensibly slowed down by world conferences or by constantly reiterated advice from those who look beyond today.

One interesting by-product is that even the economists are being shaken from their belief in internationalism. Prof. John Maynard Keynes has declared for national self-sufficiency endorsing the view that the coming of mass-production has made the international division of labor no longer necessary. "Experience accumulates to prove that most modern mass-production processes can be performed in most countries and most climates with almost equal efficiency," he says.

* * *

THE one great insurmountable obstacle to razing trade barriers has been that every nation has considered its new protective measures—whether the building up of a store of gold, the raising of tariffs, the clamping down of capital movements, or the control of foreign exchange—as purely defensive. No nation will admit that it has been the aggressor or that it has gone into the economic warfare to gain something for itself; protection against the competitors without has always been the proffered excuse for every new measure of economic nationalism. There are no more unarmed traders. Britain has not only abandoned free trade but has piled high her trade arsenal with such powerful weapons as an exchange dictatorship, Imperial agreements, and an agricultural Fascism. Almost the last of the free traders, Lloyd George, has abandoned his theoretical support of free trade in a protectionist world. There is one free trade country left of course. It is Holland. But her plans to centralize all foreign exchange transactions in the hands of a Government agency indicate that she too intends to play at the game of autarchy.

* * *

SOMEONE has remarked that in a world where economic nationalism is the dominant note in international policies, there is no room for countries like Canada and Argentina. The theory of it is that we are too dependent upon our export trade to enjoy any measures of prosperity in a comparatively non-importing world. We have made wheat the basis of our national economy and have boasted that we have led the world in the export of wheat and wheat flour as well as in the export of some other commodities. But if each of the countries that is a "logical" market for our cereals decides to make itself largely self-supporting in the production of wheat—as some of the largest European countries have already done—we will find ourselves, it is argued, with a very limited market, and therefore forced to restrict our production and accept a lower national income as inevitable. It certainly gives no encouragement to the Canadian wheat producer to be told that the English miller now frankly states "Thank God, we are no longer in the clutches of the Canadians."

* * *

WELL, what are we going to do about it? That is to say, what ought we to do about it if we are hopelessly geared to an export economy in a non-importing world? That is where there is plenty of room for academic debate. Of course there is no doubt we will come out all right "in the long run" because eventually, and eventually may mean a long, long time, the pressure from within each country for cheapness and economy is bound to influence if not rule national fiscal policies.

Nations are made up of producers and consumers and practically every person is both producer and consumer at one and the same time. But that portion of each individual that is a consumer has its innings every once in a while and asserts itself with some measure of success. Today the French foreign office may declare that wine and wheat

(Continued on page 7)

As Others See Us

Just an Imitation

Sackville (N.B.) Tribune. — The Financial Post, of Toronto, with that modesty for which Toronto is world famous, says:—

"And one third of the hard-earned money raised from Toronto taxpayers is spent on Toronto schools—on which have been modelled Canadian schools in general."

Now we know why New Brunswick schools are so High Hat and theoretical; they are an imitation of the Toronto variety.

Worthy of Note

St. Catharines Standard. — The Financial Post this week gives an analysis of Canada's export trade figures. That paper is quite non-partisan and is as frequently opposed to the Government as it is in line with anything the Government does. And yet it makes the statement that the Ottawa trade treaties have had splendid results for Canada, and it has been fully established that the United Kingdom is a far more reliable market for Canadian products than the United States.

The above conclusions should deprive the Opposition party at Ottawa of considerable of its thunder. It is no fault of the Government of Canada if the United States bars Canadian produce because of its domestic high tariff policies. The best answer Canada can make to that is to first offer to make a fair trade treaty with the U.S.A. If that is rejected, the next best answer is to shut down on imports from the U.S.A. buy from Britain where we are able dependably to sell, and where there is some stability provided by the Ottawa agreements. The Canadian course is clear.

Brains and Burns

Letter in the Montreal Herald:

Will you please pardon me for raising my humble voice against your article entitled Canada's Brain Trust?

The Financial Post criticizes the leaders of the Co-Operative Commonwealth Federation by saying they have had no experience making a success of a corner grocery store. Since when has there been "such an animal" as the corner grocer? The reason for the C.C.F. strength today is that its membership is largely made up of "Corner Grocers" who have been crushed under "the steam roller of trusts and mergers."

Nineteen years ago last Friday the call went out for "Men from Eighteen to Forty-Five" to fight for "King and Country." Today men of thirty-two are being criticized because they have dared to enlist in the war against "starvation in the midst of plenty." It's remarkable "what a difference a few years make."

More power to the men whose only drawback is "that they are only thirty-two years of age." We have listened long enough to the three score years and ten type, and we are no farther ahead than we were in 1930. Our present leaders are sitting back "waiting for something to happen," while President Roosevelt is doing something.

"Nero fiddles while Rome burns."

Other People's Views

Asks Fair Competition

Hardware and Metal, Toronto.—At this year's convention of the National Retail Hardware Association of the U. S., the following is practically the only mention made of the subject of public utilities selling electrical appliances. "Merchandising by utilities has not had as much national attention as in previous years because utilities in most cases have come to a point of co-operation in their selling policies."

In Canada the situation has not advanced to that favorable point, though there are indications that even the utilities are recognizing today that there is some logic to the objections raised by hardwaremen in this country. It is very difficult for merchants to have to meet the competition of utilities which allow excessive trade-in allowances as a subtle way of whittling established resale prices and which give credit and delivery facilities on even the smallest orders. Frequently such practices result in a loss in the operations of such utilities, which loss must be made up from the tax revenue to which private merchants are contributors.

If public opposition has not yet been fully enough aroused to call a halt to this unfair and uneconomic competition with private merchants, then the latter must continue to employ all the power at their command to force utilities to at least maintain some fair standards of competition and not take too much advantage of their unique position in such close proximity to the public treasury.

For the Business Man

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1832 1933

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The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

33-4

The Week in Business

Price Spread Narrows

IMPORTANCE of the maintenance of an even relationship between the prices of farm products and manufactures is an economic truism which applies with full force in Canada, dependent as we are on the earning power of our primary producers. It is, therefore, particularly cheering to note that farm produce prices early took the lead in the increase of the past few months and that this lead has been maintained. A chart showing the trend of these two prices, appearing on this page, clearly shows the wide spread which was created and the progress that has been made in eliminating this disturbing trend.

Only five months ago, on April 1, the spread between the cost index of manufactured goods and farm produce was one of 28.6 points, both indices calculated on the basis of 1926 equals 100. At July 1, this spread had been reduced to 11.6, although in the four months period the price index of manufactures has risen from 69.7 to 72.4. In order to accomplish this elimination of the major portion of the price spread, the farm produce price index had risen from 42.6 to 60.8.

* * *

Rapid Recovery

WHILE the depression was at its height it was freely predicted that when recovery began it would be a long slow pull back to normal, but so far this prediction has apparently proved false. According to The Financial Post index of Canadian business, the recovery of the past four months has been at a much more rapid rate than the latter stages of the decline. By rising to 84.6 in July, the losses since March, 1932, have been wiped out. Explained in another manner, the increase of the past four months have equalled the losses of the previous 12 months.

Renewed activity in the primary iron and steel industries was one of the most important factors in the rise of 6 points from the June figure. After 5 months in which the total Canadian pig iron production amounted to only 7,000 tons, July saw production stepped up to 32,000 tons, while steel production reached the highest level since August, 1931.

* * *

Loadings Index Rises

CIVIC HOLIDAY in some centres in the Eastern Division falling in the second week of August this year as compared with the first week last year, somewhat affected the carloadings total for the week ended August 12, in comparison with a year ago. Notwithstanding this holiday, however, the total for the week showed a good gain of 869 cars over the previous week. The adjusted index number made a substantial gain to 67.10 from 63.34, thus marking the highest point since October, 1932.

Automobile production in July fell off from the June level, although reports from some of the leading manufacturers had indicated that nearly peak activity had been maintained throughout the month. After four months of export demand much in excess of that recorded in the corresponding months of 1932, production for export in July of 1,978 units was smaller than in the corresponding month a year ago, when the total was 2,699. Export production in July, however, was 177 units greater than the June figure.

Business Briefs

Pig Iron Production in July amounted to 31,689 tons, the best monthly total reported during the past two years and almost equal to the total of 36,210 tons made in the first six months of this year.

Steel Production in July amounted to 49,076 tons, the best monthly total since August, 1931, and comparable with 31,602 tons in June and 27,506 tons in July a year ago.

Automobile Production in July numbered 6,540 units as compared with 7,323 in June and 7,472 in July a year ago. Of the July total, 4,562 were made for sale in Canada and 1,978 for export as against export production of 2,699 and 4,773 for sale in Canada in July a year ago.

Car Loadings in the week ended August 12 numbered 38,644 cars, an increase over the previous week of 869 cars but below the total of 39,152 cars recorded in the corresponding week a year ago. Effect of civic holiday falling in this week this year and not last account for the decline for 1932.

Wheat Exports in the week ended August 11 amounted to 2,408,153 bu. as compared with 3,832,623 bu. in the corresponding week a year ago.

Cigarette Consumption in July amounted to 449,784,830 as compared with 338,875,000 cigarettes in July a year ago.

Domestic Exports in July were valued at $51,345,011 as compared with $45,967,773 in June and $42,318,084 in July, 1932.

Imports in July were valued at $35,738,380 as compared with $33,618,905 in June and $35,710,571 in July, 1932.

Commodity Prices

	Week ending Aug. 19	Previous week	Same week last yr.
Cattle (cwt.)§	$5.10	$5.15	$6.50
Copper, lb.	.09	.09	.05½
Cotton, lb.	.0935	.0920	.0760
Rubber, lb	.0707	.0738	.0340
Sugar, raw, lb.	.0344	.0345	0317
Silk, lb.	1.92½	1.92½	1.50
Wheat (Man.) bu.°	.77	.82¼	.58¼
Hides, lb.	.15	.15	07
Coffee, lb.	.07¼	.07¾	.08¾
Weekly Indices			
N. Y. Annalist‡	102.4	103.1	94.2
Fishers'	♦70.3	70.3	†62.0
N. Y. Journal of Comm ■	69.2	68.3	58.4
Crumps (Brit.)*	64.1	64.2	†62.4
U. S. Labor▲	69.4	69.2	65.2

†Average, 1932. ♦Aug 19.
‡Week to Aug. 15. §Aug. 17.
*Week to Aug. 19. °Aug. 12.
▲Aug. 12. ■Aug. 19.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (July)	70.5	67.6	66.5
Retail (July)	77.8	77.6	80.8
U. S Labor (July)	68.9	65.0	64.5
Gt. Brit. (May)	66.9	65.6	67.9

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business Conditions in Canada

JULY AUTO SALES IN EAST CANADA BETTER JULY, 1932

Ontario and Quebec Totals Higher — Maritimes Reduced

CHEVROLET LEADS

Chrysler Corp. Has Made Best Comparative Showing Among Manufacturers

More automobiles were sold in Eastern Canada in July than in the corresponding month a year ago, according to an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade. In all, registrations in July show that 3,861 passenger cars were sold during the month as compared with 3,593 in July, 1932.

Greater sales in Ontario and Quebec account for the increase, sales in the other three eastern provinces being less than July a year ago. Quebec shows the greatest percentage increase, rising from 702 a year ago to 818 in the month just past while Ontario increased from 2,435 to 2,682. Sales in Prince Edward Island were only about a third of a year ago.

7 Months Sales Down

In the seven months of the year to date sales are down about 13 per cent from the same period a year ago, the Maritime provinces again showing the greatest declines although in this case all provinces show lower totals. Sales by provinces are as follows:

Auto Sales By Provinces

	July 1933	July 1932	7 Mos. 1933	7 Mos. 1932
Ont.	2,682	2,435	16,658	17,678
Que.	818	702	5,119	6,246
N. B.	140	178	608	1,386
N. S.	205	234	1,357	1,995
P. E. I.	16	44	120	144
	3,861	3,593	23,862	27,449

Chevrolet Leads

Chevrolet is the leader in July sales with a total of 1,060 cars, a 60 per cent improvement over July a year ago. Ford is in second place although the total of 870 sales does not compare favorably with the 1,355 recorded in July a year ago. Plymouth and Dodge follow in that order, each with approximately half the Ford total.

Compared with a year ago, all the leading makes with the exception of Ford, Rockne, De Soto and Studebaker show improvement. Chief gainers are Dodge with nearly seven times the total of July a year ago and Essex with more than twice the July, 1932, figure.

For the year to date, Plymouth, Dodge, Essex, Pontiac, Oldsmobile and Frontenac are ahead in total sales while Chrysler and Chevrolet have made creditable showings considering the reduced total volume of business. Sales by leading makes are shown in the following table:

Sales of Automobiles in Eastern Canada (Ranked According to July Sales)

	July 1933	July 1932	7 Mos. 1933	7 Mos. 1932
Chevrolet	1,060	659	7,094	7,569
Ford	870	1,355	4,779	6,788
Plymouth	415	275	2,124	2,094
Dodge	407	62	2,450	765
Pontiac	223	125	1,736	1,480
Buick	188	136	1,166	1,612
Chrysler	143	103	710	833
Essex	136	67	693	684
Oldsmobile	78	42	542	522
Frontenac	85	69	513	337
Rockne	37	70	266	470
De Soto	34	80	318	787
Studebaker	22	53	289	648

Over the seven months operations to the end of July, Chrysler Corp. stands out among the leading manufacturers with 23.6 per cent of the total business as compared with only 16.3 per cent last year in this period. General Motors has also increased its percentage of the total market with 44.5 as against 41.1 in the first seven months of 1932 while Hudson-Essex has held its 3.3 per cent. Other leading manufacturers have slipped back somewhat.

Seven months sales of leading manufacturers compared with a year ago are as follows:

Auto Sales By Leading Manufacturers (Eastern Canada Only)

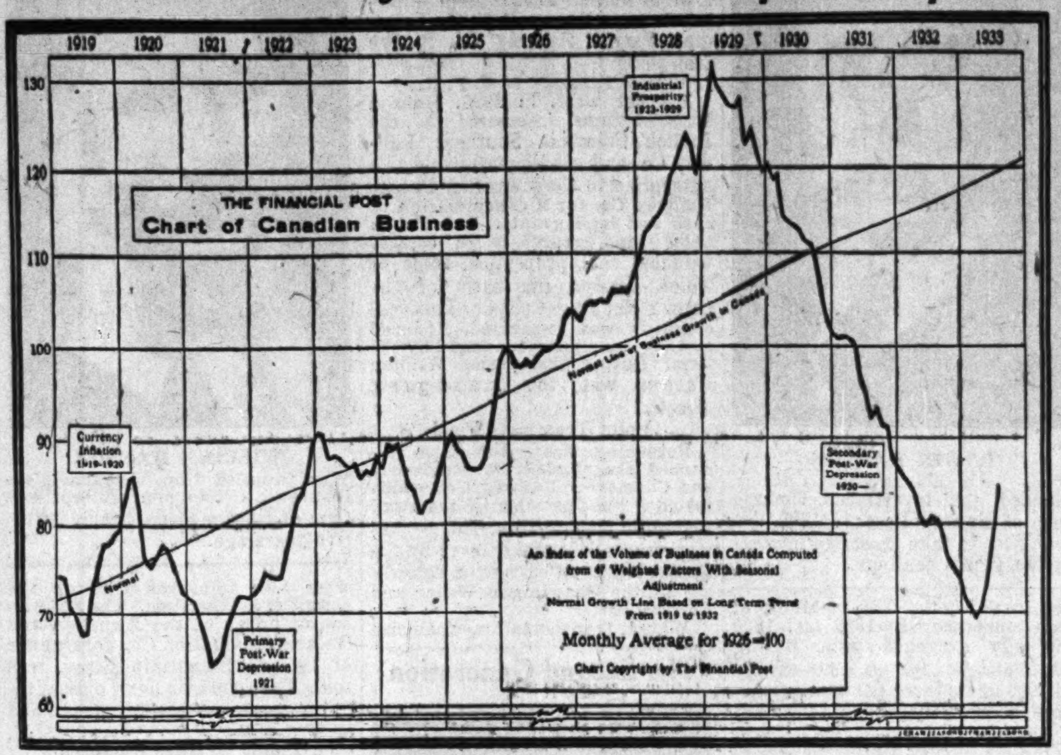
	7 Mos. 1933	7 Mos. 1932	% Total Sales 1933	% Total Sales 1932
General Motors:				
Cadillac	49	82		
Chevrolet	7,094	7,569		
La Salle	21	14		
Buick	1,166	1,612		
Oldsmobile	542	522		
Pontiac	1,736	1,480		
	10,608	11,279	44.5	41.1
Chrysler Corp.:				
Chrysler	710	833		
De Soto	318	787		
Dodge	2,450	765		
Plymouth	2,124	2,094		
	5,602	4,479	23.6	16.3
Ford of Canada:				
Ford	4,779	6,788		
Lincoln	5	6		
	4,784	6,794	20.0	24.8
Hudson-Essex:				
Essex	693	684		
Hudson	94	225		
	787	909	3.3	3.3
Studebaker Corp.:				
Rockne	266	470		
Studebaker	289	648		
	555	1,118	2.3	4.1
Dominion Motors:				
Durant	41	749		
Frontenac	513	337		
Reo	63	49		
	617	1,135	2.6	4.1

Chartered Accountants Discuss Profession's Ethics

Annual meeting of the Dominion Association of Chartered Accountants will be held in Edmonton and Jasper, Alberta, August 28 to 31, and will be attended by members of the nine provincial institutes of chartered accountants. The president, Frank M. Harvey, F.C.A., of Calgary, will preside at the meetings. The Alberta Institute is host to the profession this year.

One of the subjects to be discussed will be the uniformity of company legislation in the various provinces. Papers will be presented by George C. McDonald, C.A., of Montreal, on "The Responsibilities of Auditors"—a subject of special interest at present in view of recent decisions of the Canadian courts respecting the liabilities of auditors; and by Walter J. Macdonald, C.A., of Winnipeg, on "The Student Body as a Factor in the Profession." There will be a report by the executive committee of the association on the subject of "Ethics, Conduct and Discipline." John F. Forbes, president of the American Institute of Accountants, will be present and will speak on the progress of the profession in the United States and will doubtless deal with the widened responsibility of auditors in that country since the recent passing of the "Securities Act of 1933."

Business Activity Takes Further Upward Spurt



An Index of the Volume of Business in Canada Computed from 47 Weighted Factors With Seasonal Adjustment

Normal Growth Line Based on Long Term Trend From 1919 to 1932

Monthly Average for 1926=100

Chart Copyright by The Financial Post

Business operations in Canada were at a higher level in July than in the preceding month, The Financial Post index of the volume of business being 84.6 compared with 78.6. Gains were especially pronounced in industries manufacturing commodities with elastic demand. The primary iron and steel industry was decidedly more active, while contract awards indicated expansion in construction. The gain in the export of lumber was a significant factor indicating the revival of external markets for the product of an important Canadian industry. Mineral production and the manufacture of foodstuffs were at lower levels than in the preceding month.

Recovery More Rapid Than Last Decline Stage

Gains of Past Four Months Take The Financial Post Index to March, 1932, Level—Price Increase Important

By SYDNEY B. SMITH

Business operations recorded further marked improvement in July, the recovery of the second quarter being capped by a higher level of industrial activity. The early stages of the recovery phase have been even sharper than the decline of the last cycle, culminating in the first quarter of the present year. The result is that the physical volume of business was greater in July than in the same month of last year, the marked decline of the last half of 1932 and the first quarter having been counterbalanced by the rapid resumption of operations in the last four months.

According to the indexes of industrial production published in the monthly Bulletin of the League of Nations, Canada was the last of the principal countries to pass the turning point from decline to recovery. France and Germany showed moderate recovery from about one year ago and the lowest point of industrial activity in Great Britain was experienced in the last quarter of 1932. The recovery in Japan was of a special character due to war operations and currency inflation.

Ahead of Europe

Measured by the index of industrial production of the Federal Reserve Board, operations in the United States showed a low point in July of last year and a secondary minimum in March last, of which the former will doubtless be regarded as the historical turning point of the recently terminated depression. Since the first quarter business in the North American area has made rapid recovery making up for lost time, and far surpassing anything in the way of percentage gains which up to the present time have been achieved by any European country.

The economic recovery in most of the principal commercial countries is a gratifying feature from Canada's standpoint. The Dominion is dependent upon other countries as a market for primary products and no genuine prosperity can be attained in this country without the revival of those markets. The external situation is vital to the immediate prospects of the Dominion.

Wholesale Prices Higher

While the rapidity of the advance during the first part of July resulted in higher levels than in the preceding month, the sharp reaction on the stock and commodity exchanges led to a more sober feeling in regard to the economic outlook. Reactions are normal in a period of such rapid advances and the recent setback is regarded by many authorities as a temporary lull in the recovery phase of the cycle. Despite the decline in speculative commodities during the latter part of the month, the striking development was the rise in average wholesale prices over June. The index at 70.5 was more than 4 per cent higher than in the preceding month. Of the 33 important component commodities separately reported only 4 showed declines.

The Financial Post index of the volume of business in its preliminary form was 84.6 in July compared with 78.6 in the preceding month. The gain was due mainly to gains in the paper and lumber, primary iron and steel and construction industries as well as in both divisions of the external trade.

Measured by preliminary indicators mineral production was not so active in July as in the preceding month. Exports of copper ore and blister were at a lower level. Exports of nickel continued in heavy volume, the total being 10,501,100 pounds compared with 10,503,500 in June. After seasonal adjustment, however, a recession would be indicated, the adjusted index being 151.2 compared with 166.0. Zinc exports were 10,970,300 pounds compared with 16,819,900. Exports of silver were at a lower level than in June, the total being 910,859 ounces. Asbestos exports were 6,259 tons compared with 12,134, and the decline in bauxite imports for the manufacture of aluminum was greater than normal for the season.

The production of foodstuffs was not so great in July as in the preceding month. The decline in flour production was less than normal for the season, and a relatively satisfactory volume has been shown since March. Production of oatmeal, rolled oats and corn flour showed decline. The manufacture of sugar was greatly below the high level of the preceding period, the total being 57,332,000 pounds compared with 89,254,000. Cattle and hog slaughterings showed moderate gains after seasonal adjustments. There is evidence that cattle are being sacrificed due to shortage of feed. The gain in sheep and lamb slaughterings at 71,758 head was less than normal for the season. Cheese exports were 10,760,000 pounds compared with 4,098,000 but the gain was less than seasonal. Exports of canned salmon showed marked decline.

Crude rubber imports were 2,670,000 pounds compared with 3,228,000, the adjusted decline being about 19 per cent. Production of leather boots and shoes was 1,784,000 pairs in the latest month for which statistics are available, compared with 1,631,000, the considerable gain of nearly 14 per cent being shown.

Imports of raw cotton were 9,790,000 pounds compared with 7,439,800, the adjusted index being 113.7 compared with 83.3. Imports of cotton yarn also showed a gain after seasonal adjustment. Imports of raw wool and wool yarn while still at a relatively high level showed a decline from the preceding month.

Significant gains were recorded by the newsprint and lumber industries. Output of newsprint was 180,387 tons compared with 171,419, and shipments exceeded production resulting in a decline in mill stocks. Wood-pulp exports were 130,200,000 compared with 104,340,800 in June. Exports of boards and planks were 116,179,000 feet compared with 94,700,000, while the export of shingles showed a gain.

The primary iron and steel industry was more active. Output of steel ingots was 49,076 tons compared with 31,602, while pig iron production was 31,689 tons compared with 857. The decline in the output of motor cars was less than normal for the season. Imports of crude petroleum at 118,271,000 gallons showed an adjusted gain of 17.5 per cent.

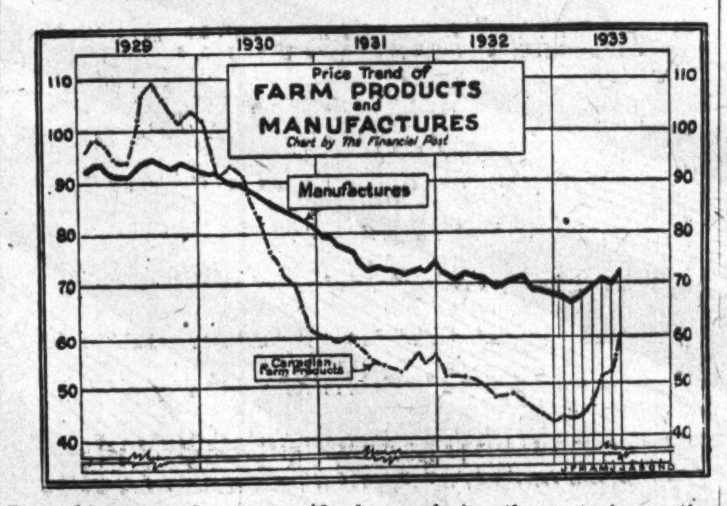
Construction contracts were valued at $12,652,000 compared with $8,086,000, the adjusted index being 41.7 compared with 18.6 in June. Building permits in 61 cities, on the other hand, showed an adjusted decline of nearly 32 per cent. The power industry made an excellent showing in July, the average daily output being 46,587,000 kw.h. compared with 45,697,000. While exports showed a sharp gain, production and consumption in Quebec and Ontario showed marked increase.

Carloadings in July numbered 162,728, the adjusted decline from the preceding month being slightly more than 6 per cent.

While imports and exports each showed gains, the greatest increase was scored by the latter. Exports were in excess of $51,800,000 compared with $46,472,000, while imports at $35,738,000 compared with $33,619,000.

Owing mainly to the high level in Toronto, bank debits attained one of the most pronounced gains of the month, the total being $3,528,000,000 compared with $2,982,000,000.

Farmers' Buying Power Moves Nearer Parity



By making a much more rapid advance during the past six months than the price of manufactures, the price of Canadian farm products has greatly reduced the spread between these two prices. The importance of this move has often been stressed. Chart is based on price indices on the basis of 1926 equals 100.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Aug. 12)	$ 38,644	$ 39,152	$ 1,133,716	$ 1,301,346
C. P. R. gross earn. (Aug 14)	$ 2,157,000	$ 2,112,000	$ 63,270,000	$ 69,599,000
C. N. R. gross earn. (Aug. 14)	$ 2,752,604	$ 2,579,953	$ 81,966,072	$ 92,399,752
	Monthly			
C. P. R. net earn. (June)	$ 2,049,387	$ 1,578,616	$ 4,861,140	$ 5,251,879
C. N. R. net earn. (June)	$ 985,896	$ 735,914	$ ‡2,978,981	$ 620,369
Iron and Steel—				
Pig iron, tons (July)	31,689	7,317	67,899	84,518
Steel, tons (July)	49,076	27,506	179,540	207,994
Automobiles prod., No. (July)	6,540	7,472	44,802	47,141
Auto Vehicles—				
Passenger, sales, No. (July)	5,322	3,473	38,181	40,233
Trucks & buses, sales, No. (July)	1,218	544	6,621	6,908
Auto exports, No. (July)	1,790	1,540	10,504	4,659
Construction—				
Building permits (July)	$ 2,082,302	$ 4,412,169	$ 12,189,591	$ 28,753,213
Contracts (July)	$ 12,651,600	$ 12,540,100	$ 45,563,900	$ 87,301,300
Newsprint—				
Production, tons (June)	171,419	161,368	894,181	1,004,248
Exports, tons, (June)	152,151	155,895	807,237	933,446
Sugar—				
Imports, raw, lbs. (June)	81,453,200	56,324,800	254,749,900	325,126,100
Melt. & ship., lbs.*	57,248,316	97,203,618	336,521,967	379,758,469
Manufactured, lbs.*	57,332,368	92,583,064	337,290,934	366,383,597
Flour—				
Production, bbls (May)	1,334,101	1,040,493	5,056,380	4,781,163
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (June)	94.70	110.68	342.48	407.98
Boots and shoes, pr. (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp. crude, gal. (June)	121,120,617	113,948,377	263,266,395	450,977,992
Cotton, imp., raw, lbs. (June)	7,440,000	4,486,000	40,766,000	50,103,000
Rubber, raw, imp. lbs. (June)	3,228,000	6,349,000	16,078,876	26,671,659
Coal, imports, tons (June)	1,122,067	958,742	3,930,494	4,390,878
Gasoline sales, gals. (May)	42,190,000	47,307,000	149,766,000	161,805,000
Trade—				
Imports (July)	$ 35,738,380	$ 35,710,571	$ 203,574,494	$ 277,758,082
Exports (July)	$ 51,345,011	$ 42,318,084	$ 257,438,948	$ 265,121,495
Wheat exports, bus., (June)	16,998,672	15,857,427	83,368,577	68,205,072
Labor—				
Employment Index (June)	80.7	89.1	......	......
Electric Power—Output—				
M. Kilowatt hours (June)	1,370,913	1,200,098	8,082,053	7,947,948
Finance—				
Failures, No. (May)	175	204	981	1,061
Failures, Liabilities (May)	$ 2,616,800	$ 3,148,067	$ 17,027,069	$ 17,427,169
Bank debits† (June)	$ 2,982,418	$ 2,202,785	$ 13,195,272	$ 12,536,993
Bond sales (June)	$ 90,253,692	$ 20,759,081	$ 128,830,417	$ 161,665,121
Insurance sales (July)	$ 30,255,000	$ 34,469,000	$ 208,373,600	$ 253,002,000
Automobile Financing—				
Used cars (June)	$ 1,155,520	$ 1,702,404	$ 5,831,581	$ 7,456,959
New cars (June)	$ 1,242,108	$ 1,768,206	$ 5,679,711	$ 7,799,927

*Four weeks period, June 24 to July 15. †(000's omitted). ‡Deficit.

BUSINESS GAIN QUITE DEFINITE BANKERS STATE

Bank of Nova Scotia Bulletin Outlines Improvement to Date

The distinct improvement in the general level of business shown throughout the Dominion during the second quarter of the current year forms the subject of the current Monthly Review of the Bank of Nova Scotia. While the improvement has been general the survey mentions that a more pronounced rise has occurred in the index of stock prices than in the indices which more nearly represents the actual condition of business. The most significant feature has been the general rise in commodity prices. The gap between basic commodity prices and general wholesale prices on the one hand, the price of Canadian farm products and the prices of manufactured goods on the other, has been consistently narrowing.

The bank regards the better balance between prices of farm products and manufactured as being especially important from a strictly Canadian viewpoint. This means roughly that what the farmers sell has a greater value in terms of what he buys than was the case six months ago. This relative improvement in the prices of farm products (in the case of wheat the advance is more pronounced than for the index as a whole) should do much to mitigate the unfavorable effect of short grain crops in Western Canada.

In the opinion of the bank, the record of improvement so far is impressive but it must be borne in mind that improvement is largely a reflection of events in the United States. It would appear that actual retail consumption of goods has failed to keep pace with increase of production. Stocks of goods in the factory, in the warehouse and behind the counter have during the past two years been generally reduced to minimum requirements. It was natural, therefore, that rising prices combined with moderate revival of demand should have caused manufacturers, wholesalers and retailers to replenish their stocks. This was done both to satisfy the better demand for their products and above all to anticipate further price increases for their raw materials. This factor of anticipation may be attributed to the greater increase in the production of goods as compared with that of consumption of goods.

Textiles and Shoes Lead

The review takes up the position of the chief industries in Canada and shows that the major gains have been made by manufacturing industries which have an expansion in both May and June of considerably more than seasonal proportions. The bank index of employment in the manufacturing industries is regarded as conservatively depicting the upward trend. On May 1, the index stood at 71.9, its record low, on June 1 at 74.3 and on July 1 at 77.8, this representing a rise in two months of over 8 per cent. Improvement appears to be fairly generally distributed throughout the main groups of industries although the textile industry, notably the woollen manufacture and the boot and shoe industry have the most impressive records. Improvement in the textile industry has been most pronounced in the yarn and cloth manufacture although in the hosiery and knit goods trade there has also been substantial improvement. In the clothing and garment section of the industry, the advance has been somewhat less pronounced. Production of boots and shoes in June reached the highest point recorded during the period from 1929 to 1932. Production of pig iron started in June after four months of no production and output of steel ingots and castings was much greater in June than in the corresponding months of 1932. Production figures for April, May and June in the automobile industry were in each case higher than those for the corresponding months of 1932.

Newsprint Prospects Better

There has recently been a noticeable improvement in the general outlook for the newsprint industry and the prospect of higher prices across the border has led to an improved demand from the United States. Both volume of production and shipments increased more than is usually the case from the first to second quarter of the year and in June both figures were somewhat above those of the corresponding months of 1932. Due to the low price still in effect value of output is still under that of a year ago. Domestic demand for lumber is small due to lack of constructional activity and the chief hope of industry centres on the market in the United Kingdom. Demand from this market has been improving.

Drought and heat aided by ravages of grasshoppers have in two months changed an excellent prospect to a discouraging certainty that the wheat harvest in Western Canada will be substantially below average. The situation is most discouraging in west-central and south-western Saskatchewan and southern Alberta where it appears that many farmers will barely recover sufficient grain for seed. Conditions are better in east-central and part of south-eastern Saskatchewan while in the northern areas and particularly those of Alberta and Manitoba prospective yields are from fair to good, other crops have also been adversely affected. With substantially higher prices prevailing on wheat than were in evidence a year ago those farmers who have a fair crop will receive substantially larger cash returns than during the past year. In drought-stricken districts however, higher prices will have little beneficial effect and in such areas the relief problem during the coming winter promises to be serious.

New Construction Dormant

The fishing industry on the Atlantic Seaboard has not benefitted by any substantial advance in dried fish prices, and principal foreign markets for these continue to be depressed. Moderate increase in lobster prices in United Kingdom is a recent development of some promise. On the Pacific coast the catch of salmon up to the end of July was below that of the corresponding period last year. The value of construction contracts awarded in Canada has shown moderate but consistent rise since February of this year but the June total was only about 20 per cent of the average during the period 1926 to 1929. Repairs and maintenance work bulk large in the current programme of construction and there is only a small volume of new building actually going over. This condition restricts the domestic market for lumber, iron and steel products, cement, etc. The outlook for the construction industry is still indefinite.

THE NORTON PALMER
WINDSOR - ONTARIO
Largest and most modern hotel in the Border Cities

English Grill Room
Twin Bed Room

The best at prices that are always moderate. Close to stores, theatres, churches.. five minutes from Detroit.
CAFETERIA and ENGLISH GRILL
RATES
Single — $2 to $4
Double — $3.50 to $6
Twin Beds — $6 to $8
PRESTON D. NORTON
Manager

THE WORLD AT LARGE

(Continued from page 6)

—not, mark you, wine and women—mean more to France than all her industries put together but the day will come when the industrial workers of France will decide that they will no longer pay a price for bread and taxes to the national treasury to support an internal price of $1.72 for wheat. The pressure will work in the financial field. The English investor, held down to 3½ per cent yields at home, will insist that Financial Dictator Chamberlain permit him to benefit from some of the 4 to 5 per cent yields on equally good gilt-edged stuff from other countries. (As a news article on the front page of this issue makes clear, pressure from home investors was as strong a factor in forcing the British Government to permit the borrowing of £15,000,000 in England as was the insistence of Canada that it be permitted to borrow the money and take it out of England.)

Certainly, in the end, fiscal and financial protection that goes beyond the point of giving a country a moderately diversified productive economy, in order to expand the basis of its social life, that aims at hot-house self-sufficiency must go by the boards because its only justification is that of giving a country political security and the frenzied chase after political security has its basis in the fear of another great war. Thus as political peace descends on the world, economic peace will come along with it. The difficulty of understanding the post-1918 economic policies of the nations lies in the false assumption that Versailles gave the world political peace.

* * *

BUT Canada cannot frame its policies for today on the basis of what eventually may happen. We have to meet a world condition in which economic nationalism remains the predominant influence.

Joining up with the United States would, of course, enable us to create on this continent an economic unit that could almost but not quite live unto itself alone. But more than 99 per cent of Canadians have too shrewd an idea of the social and political consequences of such an economically splendid action to permit the phantom thought of North American union to linger in their minds for more than a fleeting moment.

Another way out would be to readjust our productive economy to a purely domestic basis which would mean that we would set up a corporate state to balance internal production and consumption and live by the process that some people call taking in each other's washing but which is not as narrow a process as that when there are 10,500,000 people to exchange their labor with one another. We would do some exporting, just enough to pay for what we did not produce at home and it would be chiefly a barter proposition. But a country that has experienced the thrill and enjoyed the profit of holding its much talked about position of fifth among the world's traders and a country that has built up enormous vested interests in world trade, is not prepared to go Fascist in just that way. Not even if it provided us with the opportunity of telling the owners of $5,000,000,000 of foreign capital invested in this country that we had decided not to bother paying them any more interest and dividends.

* * *

AND so inevitably we come to the conclusion that the way out is to follow Mr. Bennett's precept and "blast" our way into the foreign markets we need. We have to say we have to make it a more favorable proposition for foreign countries to buy from us than even to seek the rather illusory security of attempting to keep out our goods. That means that we have to produce goods at low prices, always keeping in mind the happy medium. It would matter little to get prices down at the expense of reducing our farmers and workers to a degrading social life. But we have plenty of extravagances and wastes that we can eliminate and they include the sacred cows of more than one political party. Among them might be instanced a few (not as many as some people think) uneconomic industries that have been in their swaddling clothes for forty or fifty years, a fetish of public ownership of railways, power plants, etc., that are inefficiently run, a few impractical applications of the notion that Governments can bonus individual groups or particular geographical sectors into a condition of prosperity.

And the greatest of our breeders of high and uncompetitive production costs is the unwieldy political governmental machine we have created which adds to the cost of producing every bushel of wheat, every reel of paper and every square foot of cloth, a deadweight of taxation that makes many of our otherwise exportable products plainly unattractive to those whom we hope to blast into a desire to buy our products.

THE process of blasting our way into foreign markets got a very good start at Ottawa in the Imperial Economic Conference trade treaties. Since 1932 all the weak spots in those treaties have been pitilessly exposed to view by those whose comfortable equanimity was disturbed or promised to be disturbed if they were further extended. But the net result of the Ottawa treaties upon our national economy has been good enough to warrant every common-sense measure designed to make them work smoothly and be extended even further.

And even in this ultra-nationalistic world there is scope for bilateral trade agreements between countries that have no common political bond. Even treaties that represent a virtual return to barter have their merit. Primitive in aspect is barter but not so primitive as complete refusal to swap goods and services on any basis.

A world-wide tendency to autarchy does not sound the death knell of Canada's trading ambitions. There is enough spirit in our people to enable them to meet the conditions imposed upon us by the breakdown in London.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Lanark Village, near Ottawa, will be the location of a yarn and knitting mill according to an announcement from that centre. Ottawa interests are backing the venture which will employ about 30 men when working at capacity.

PRUE
COTTONS

Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS
DOMINION TEXTILE
Company Limited
MONTREAL
TORONTO
WINNIPEG
VANCOUVER

National Steel Car
Corporation Limited
Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.
HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

Hanson Family Sets High Mark For Investment Banking Service

Fifty-Year-Old Firm Creates Unique Record in Financing Governments and Promoting Corporations

From Our Own Correspondent

MONTREAL.—Fifty years ago Charles and Edwin Hanson merged their combined resources under the name of Hanson Bros. and took their place, then an unimportant one, among the investment bankers on St. James Street, Montreal.

At that time the Canadian Pacific Railway was rapidly pushing a thin line of steel rails across the unbroken Prairies. The great era of agricultural and industrial expansion which was to place Canada among the leading nations of the world was under way.

Set Their Own Pace

Though many years were to elapse before Laurier made his now famous statement that Canada was the country of the 20th century, the two Hanson boys did not sit back and wait for opportunity to knock on the door of their office situated in the old Montreal City and Districts Savings Bank Building.

At first they limited their efforts to government and municipal financing. But they saw the functions of investment bankers in a broader light and in the interval Hanson Bros.' name has been associated with the financing of established and the creation of new enterprises in practically every phase of the country's economic life.

To follow in detail the activities of the 50-year-old firm of Hanson Bros.' house is to follow the development of the country's resources during the past half century and to realize the important niche occupied by the investment banker in finding the sinews wherewith these resources might be exploited.

Started With "High-Grades"

During the first five years of the firm's existence, Hanson Bros. dealt only in "high-grades." Government and municipal financing was their forte. In later years they were to branch out into other fields. But in the early days of the firm they dealt in securities of many of the municipalities now forming part of the City of Montreal and in those of Cote St. Antoine, now the City of Westmount.

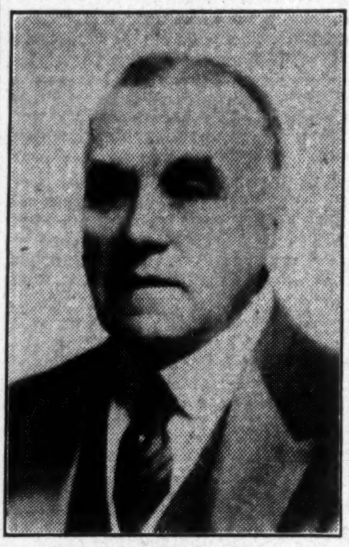
They took part in the early financing of Halifax, Saint John, Moncton, Charlottetown, Sherbrooke, Quebec, Hull, Ste. Hyacinthe, Three Rivers, St. Johns. Toronto, Ottawa, London, Hamilton, Stratford, Windsor, Kitchener, Vancouver, Victoria and Brandon were a few of the other municipalities for which they performed the important function of bankers.

Charles Goes to London

Shortly after the formation of Hanson Bros. arrangements were made in collaboration with Coates, Son and Co., in London, for the conversion of the City of Quebec's Sterling debt amounting to roughly £700,000.

The intimate contact with the English financial house resulted in an offer of a partnership to Charles Hanson. This was refused at first, but in 1888 Charles established himself in London in the old-established house of Coates, Son and Co. Though his interest in Hanson Bros. from then on was an indirect one, it is worthy of note that in 1917-1918 Charles was Lord Mayor of London and in 1918 was created a baronet.

Lord Mayor of London



SIR CHARLES HANSON

Founder, with his brother Edwin, of Hanson Bros., who went to London in 1888 and in 1917-1918 became Lord Mayor of the Empire's Metropolis.

This was the first and last break in the personnel of Hanson Bros. Upon Charles's retirement, Edwin invited his brother, William, to join the firm. For several years previously William had been chief agent of the Travelers Insurance Co. in Montreal and was well equipped to take up his new work.

Second Generation Starts

In 1908 the connection of a younger generation of the Hanson family began with the firm, when E. Gerald Hanson, son of Edwin Hanson, entered the office. Two years later W. Gordon Hanson, son of William Hanson, joined the staff. In 1914 both left for overseas service, returning at the close of the war. In 1919 they became partners of the firm.

For thirty-seven years the Montreal office was the only one maintained by the firm, though representatives were despatched to various points from time to time. In 1920 the first branch office was opened at Ottawa and in 1924 an office was opened at Toronto.

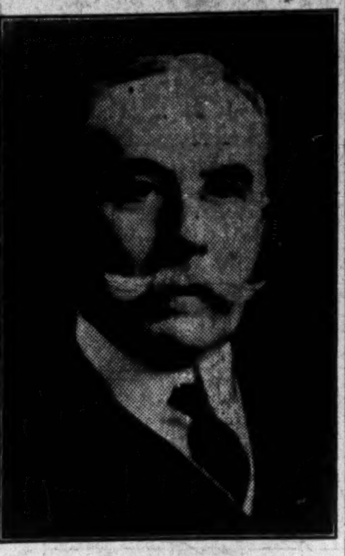
Form Stock Subsidiary

In 1897 the firm established a stock brokerage house, Hansons and Ferguson, as a complement to the older firm, which dealt only in bonds. Hansons and Ferguson subsequently became Hansons and Macaulay.

From 1883 to 1928 activities of Hanson Bros. had been conducted on a partnership basis. In the latter year the firm was privately incorporated and at present the directors include Edwin, William, Gerald and Gordon Hanson, and J. O. Hastings.

Among Hanson Bros.' early transactions of special interest was one in which the City of Montreal was concerned. In 1888 and 1890 the city arranged with Baring Bros. and Co. for an issue of £1,440,000 of its three per cent permanent stock. These securities met with a poor reception, and, when that firm in 1890 got into financial difficulties, Hanson Bros. arranged to pay off its debt to the firm in question, and to take over the unsold portion of the issue and market it.

Fifty Years of Service



EDWIN HANSON

Who, with his brother Charles, founded the investment banking firm of Hanson Bros. in 1883. He continues to take an active interest in the firm's dealings.

Railway Financing Prominent

Forty and fifty years ago railway construction was proceeding in Canada with great energy and the assistance of Hanson Bros. in financing various railway lines was sought. One of the more important of those whose issues were accepted by the firm was that of the Quebec and Lake St. John Railway Co., whose line opened up to settlement the present prosperous country north of the City of Quebec, Roberval, Chicoutimi and La Tuque. The original issue was underwritten by Hanson Bros. in collaboration with their London correspondents.

Among other railway issues in which the firm was interested was the Chateauguay and Northern Railway which, together with the above-mentioned Quebec and Lake St. John Railway, was later sold to the Mackenzie and Mann interests and now forms part of the Canadian National Railways System. The Pontiac and Pacific Junction Railway, the Ottawa and Gatineau Valley Railway Co., the Interprovincial Bridge at Ottawa, between Ontario and Quebec, were also included. These three enterprises were later sold to the Canadian Pacific Railway Co. in one transaction.

Sold Property to C. P. R.

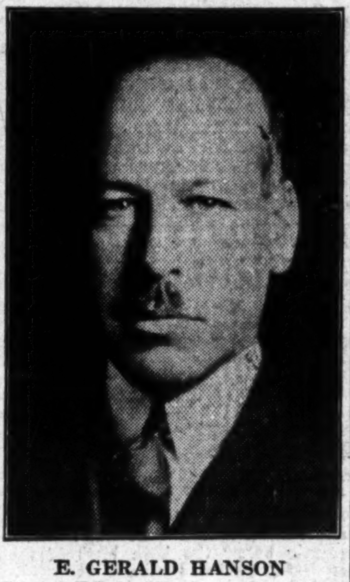
Farther west, in 1892, Hanson Bros. became interested in the British Columbia Southern Railway Co. and subsequently sold this enterprise to the Canadian Pacific Railway Co. for a consideration of cash and land grants. Included in these land grants were certain valuable coal properties, some of which became the basis of the Crow's Net Pass Coal Co. This coal company was organized, financed and for some years managed by the firm. During this period William Hanson was the managing director.

Enter Tramways Field

Returning east, the firm financed the Quebec, Montmorency and Charlevoix Railway Co., which included the first electric tramway system in Quebec City. This organization was later taken over by the Quebec Power Co., now a subsidiary of the Shawinigan Water and Power Co.

Water transportation facilities were also improved through the activities of the firm. The first issue of bonds of the Richelieu and Ontario Navigation Co., forerunner of Canada Steamship Lines, was sold. The firm also dealt extensively in issues of the Montreal and Quebec Harbour Commissioners.

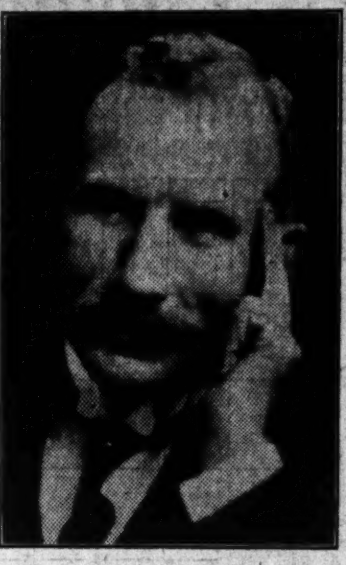
The Second Generation



E. GERALD HANSON

Son of Edwin Hanson, who joined the firm of Hanson Bros. in 1908 and became a partner in 1919.

Forsook Insurance Field



WILLIAM HANSON

Who resigned from the Travellers Insurance Co. to join his brother's firm of Hanson Bros. nearly forty-five years ago.

Public Utilities Financed

Public utility financing by Hanson Bros. also presents a definite historic interest, and includes assistance to the forerunners of many of today's important companies.

The firm in 1895 raised capital for the construction of the New Westminster and Vancouver Tramways, which connected the two cities and is now part of the Vancouver Street Railway System, forming part of the British Columbia Electric Railway, which in turn is controlled by B. C. Power Corp.

Power developments in Western Canada did not escape their attention, and the original security issues of West Kootenay Power and Light Co., Ltd., were placed by the firm.

Operate Outside Canada

They were also connected in an extensive way with the original financing and development of the Mexican Northern Power Co., which company subsequently changed its name to the Northern Mexico Power and Development Co.

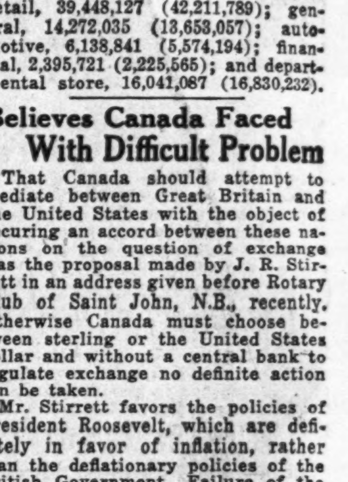
Farther south the firm was interested in the financing of the Sao Paulo Electric Co. and the Rio de Janeiro Tramway Light and Power Co. in Brazil, which companies are now owned and controlled by the Brazilian Traction Light and Power Co.

In common with many interests, Hanson Bros. turned its attention to railway possibilities in Cuba after the Spanish-American war. The firm was associated with French and American interests in the construction of the Havana Electric Railway, and the Havana Central Railway was also constructed with the assistance of Hanson Bros.

In a great many instances the actual work of the firm was not completed by the mere financing; the partners of the firm occupied positions on the board of directors of many of the companies they financed. Mention has been made of the Montreal Water and Power Co. and the Havana Electric Co., of which companies Edwin Hanson was the president; the Mexican Northern Power Co., of which he was a director, and the West Kootenay Power and Light Co., on which board he still sits.

Mention has also been made of the Crow's Nest Pass Coal Co., of which William Hanson was managing director for some years. He was also on the board of the Richelieu and Ontario Navigation Co. and the Montreal Water and Power Co. The names of many other companies could be added to those specifically mentioned, as it was the policy of the partners to maintain close association, through directorates, in order to watch the early development of these new interests financed through their efforts.

The Second Generation



W. GORDON HANSON

Son of William Hanson, who became associated with the firm in 1910 and was admitted into partnership in 1919.

This record of 50 years of service in Canadian finance by the Hanson family is one with few equals. It is all the more outstanding considering the fact that Edwin and William Hanson continue to direct the policies laid down half a century ago.

Advertising Lineage on Good Scale in July

From Our Own Correspondent

MONTREAL. — Total advertising lineage in newspapers published in 52 American cities, according to Media Records Inc., amounted to 78,319,115 lines in July, compared with 80,871,452 lines for the same month last year.

Display advertising in July totalled 62,254,724 lines compared with 63,664,605 lines in July, 1933. Classified advertising lineage aggregated 16,064,391 as against 17,206,847 for the same month last year.

Following are the advertising lineage figures for the principal divisions in July, together with comparative figures for July, 1932, in brackets: retail, 39,448,127 (42,211,789); general, 14,272,035 (13,653,057); automotive, 6,138,841 (5,574,194); financial, 2,395,721 (2,225,565); and departmental store, 16,041,087 (16,830,232).

Believes Canada Faced With Difficult Problem

That Canada should attempt to mediate between Great Britain and the United States with the object of securing an accord between these nations on the question of exchange was the proposal made by J. R. Stirrett in an address given before Rotary Club of Saint John, N.B., recently. Otherwise Canada must choose between sterling or the United States dollar and without a central bank to regulate exchange no definite action can be taken.

Mr. Stirrett favors the policies of President Roosevelt, which are definitely in favor of inflation, rather than the deflationary policies of the British Government. Failure of the World Economic Conference is blamed in part upon these deflationary policies.

More Gaspe Salmon

The Gaspe salmon catch this year to date is about fifty per cent larger than last year's, in the opinion of Herve Baribeau, manager of the Quebec Harbor Commission's cold storage plant.

Sales Leaders
1933
CADILLAC
McLAUGHLIN-BUICK
OLDSMOBILE
PONTIAC
CHEVROLET
—in every price field!

★ CHEVROLET
★ PONTIAC
★ OLDSMOBILE
★ McLAUGHLIN-BUICK
★ CADILLAC — LaSALLE
★ G.M.C. AND CHEVROLET TRUCKS

SEE Wonders PERFORMED

at the G.M. Engineering Exhibit

- A steel rail bent by the pressure of one hand!
- A kettle of water boiling on a block of ice!
- The blinking lamp that makes a whizzing wheel stand still—slow up—roll backwards!

'Also see the complete Canadian display of winning Napoleonic Model Coaches in the Fisher Body Craftsman's Guild competition.

Going to the Exhibition? Then be sure to see Canada's Great Sales Leaders at the motor show . . The famous General Motors cars to which Canadians have awarded overwhelming *sales leadership* all along the line, from the lowest price bracket to the highest. Chevrolet—Pontiac—Oldsmobile—McLaughlin-Buick—LaSalle and Cadillac—each of these Canadian-built automobiles leads its price class in sales, in popularity and value. Each offers you that exclusive (though widely imitated) feature—Fisher No-Draft Ventilation. They're all on display, in a wide range of brilliant Fisher Body styles—together with the leading Chevrolet and General Motors Trucks—at the Exhibition Motor Show.

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SECOND SECTION

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SEES CANADA WORLD LEADER BY 2,000 A.D.

Toronto Writer Forecasts Glorious Future for Nation

HOMESEEKERS' LAND

William Arthur Deacon, in New Book, Slams National Inferiority Complex

Many Canadians have written their vision of Canada. Few have done a more interesting job of it than William Arthur Deacon. Mr. Deacon, literary critic of the Mail and Empire, Toronto, is a young Canadian, a capable master of clear writing and a not too cloistered observer of the Canadian scene. In "My Vision of Canada" Mr. Deacon defiantly throws down the gauntlet to our national inferiority complex and at the same time ventures a few theories on the riddle of social justice, not necessarily an ill-assorted pair of subjects.

Mr. Deacon has greater faith in Canada's "glorious destiny" than most Canadians have. He really believes in it.

"Before the year 2,000, Canada's world dominance will be as undisputed a fact as any common place of history."

"This people is weighed down with inhibitions grown out of its sense of inferiority."

Built By Home-makers

Canada, as a nation, he thinks, was not the product of the accidents of history, but it is here today because people came seeking homes.

"The ideal of homes is the primary Canadian ideal."

"Statesmanship should measure the effects of its policies by the condition of the average home."

Canada, thinks Mr. Deacon, in a chapter bristling with statistical proof, is a country of great wealth.

"From an economic standpoint, Canada is the most favored nation in the world today."

"No country ever faced a future like ours."

Views on Imperialism

Canada has never been given the support and co-operation in her development from Great Britain that a daughter expects from a mother. Canada has been treated by Britain as the unwanted child, thinks this outright upriser against "current sentimentality."

"England was at best our stepmother with all the proverbial taste for a child not her own."

"To an Englishman, a million Canadians never matter where one American is involved."

But if England has failed to consider herself a partner of Canada (except when trouble threatened) it does not follow that the United States now wants Canada. Canada and the United States are today inhospitable to the annexation myth. But pressure from the United States has welded us into a nation. Mr. Deacon advances the theory that the United States will in time develop a new race, a negroid Anglo-Saxon. Then the Canadian race will be distinct. The boundary line will be a real dividing line.

"Canada will be the sooner equipped with a homogeneous population, and will therefore be the first to make its cultural contribution to the world."

"Canadians are by extraction a middle class of peasant people."

"Part of our trouble is due to a polite unimaginative deference by which each citizen has sat back waiting for another to speak first."

Canadians never breed wars and should not be dragged into other people's war, thinks Mr. Deacon.

"There has never been a war of Canadian origin, nor for a Canadian cause."

"It remains to Canada to be the first great pacific power of the modern world."

"In the Great War, we were foolishly caught in the madness, overpowered by the colonial sense, and equally culpable with the European nations."

"Arming never yet prevented war."

"Everyone should know by this time that a great deal which he believes in is put in his way with the deliberate object of persuading him to adopt a view."

"Canada should not prepare for war in any respect whatsoever."

Our Future in China

Mr. Deacon has a very brilliant vision of Canadian economic power to be gained through development of trade relations with China.

"What Canada should seek is a large, convenient, foreign market for all sorts of finished goods—a country with yawning needs and small industrial equipment to meet them."

"China is bound to be Canada's trade partner in the future."

"China should be the first prop of Canada's foreign policy."

In a chapter on Imperialism, Mr. Deacon reverts to his criticisms of Great Britain's treatment of Canada and he considers trade unity of the Empire "more logical than possible."

"The object of empire is that people of one place may grow fat at the expense of people in some other place."

"Britain has never had a real partner and is temperamentally averse from sharing with anybody. She has always played a lone hand."

In Canada, Mr. Deacon has pictured a high destiny, "to carry to its logical peak the Aryan civilization of Europe."

"Canada, an independent nation, faces the future in her own strength."

In a high flight of fancy Mr. Deacon concludes with a picture of Canada as it may be in 2000 A.D.

"By the year 2000 it will be apparent enough the 20th century will have been Canada's."

It is at once a salty and an imaginative book, worth two hours of any Canadian's time. Mr. Deacon has shown courage in his writing. No one will agree with all he has written; everyone can agree with a large part of it. One wonders how Mr. Deacon, who admits the loss of liberty under the Socialist state, can frame so casually his picture of the inevitableness of

(Continued on page 15)

Opinions Differ Widely as to Best Age to Retire

Leading Canadians Continue to Regard Compulsory Limit at 60 or 62 Years as Mistake—Say Only Wealthy Companies Could Finance Pension System Necessary

SOME Canadian leaders think Imperial Oil was absolutely right in deciding on a retiring age of 60 years for employees and 62 years for executives. They admit what the majority say that many men have achieved a valuable experience at that age which a company can ill afford to lose, but they claim that this is offset by getting likely younger men at an earlier age into important positions where they get in the habit of making decisions and under-studying those still higher. As the age to retire is one of the most difficult of all problems to solve when decided individually, they claim that a company will gain from having it arranged for on an automatic, understood basis so that executives have ample notice when appointments have to be made.

Other executives are attracted by the Imperial Oil idea but state that the pension system for such a plan is far beyond the resources of small companies even when employees contribute the major portion. They think the Dominion Government should carry through and be responsible for a plan applying to all Canadians.

Most leading executives think, however, Canada as a country and her industries would miss greatly the wise direction, counsel and experience of men over 60 years still filling important positions. In booms they are experienced enough to prepare for depressions and in the days of bad business sanguine enough to know that prosperity will come again and must be prepared for.

The latest and largest contribution of letters on this important subject follows:

ADVANTAGES VERSUS DISADVANTAGES OF SET AGE LIMIT

With reference to your request for my views on "setting an age limit" to the services of all employees of any corporation, I may say that the arguments for and against such a policy are so voluminous and have been aired so often by so many people that it would be almost impossible to simply say "yes" or "no" to this question.

I personally have very decided ideas on this point, and have always listened to the arguments with a great deal of interest.

To me it is absolutely ridiculous to say that because a man has reached the age of 62, he is no longer of value to the corporation or company he is with, or that he has passed the top of his curve, and is on the downward slope. This is flatly contradicted in dozens of cases that can be named.

The tendency of the last two decades to discard the old heads and make use of the naturally more vigorous younger men has resulted in many cases in the older men being later recalled to try and straighten out the chaos that has resulted from that very vigor without the necessary experience to control it.

The set "age limit" certainly has its advantages in that it tends to spread employment, encourage younger executives, and in some cases gives worn-out employees a deserved rest, BUT as against that you are going to oust many men who have reached the peak of their efficiency, and upon whom much money and time has been spent in getting them there. You are, also, going to break some hearts in cases of men whose work is their whole life, and know they are at their best just when they have to step down.

Of course, there are certain institutions and departments where undoubtedly this policy could be followed out with general resulting good, but these are limited and involve other important questions, such as the best age for retirement, the pension or emolument, which should accompany it, and which would vary greatly with the individual cases, and you would never get away from the exception, which always sets up precedents and heart burnings.

My ideas are only a rehash of the many pros and cons of the whole question, but after listening for many years and watching the practical results, I can only say as I have said before, that it seems to me ridiculous to make a blanket statement or lay down a policy that a man should be retired at the age of 62.

This question I daresay has been debated for many years and the arguments, though varying as conditions of the period vary, are fundamental, and I daresay our grandchildren will still be trying to solve it.

WM. HARTY,
(Chairman of Board, Canadian Locomotive Co., Kingston.)

* * * *

ENGLAND PUT EXPERIENCE FIRST, THE UNITED STATES, YOUTH

Speaking for ourselves, (The Toronto Carpet Manufacturing Co., Toronto, Ont.) we have never taken up the matter of retiring employees at a certain age. We have no pension system, but we have in the past in individual cases where a man has worked for us years, i.e., foremen, superintendents, etc., retired them on a pension, but the cases have been individually considered.

Very often I would imagine that a man at 62 might be a valuable asset to a company, not necessarily from his activity but his experience and executive ability. Young men are very valuable for their initiative, pep and general activity, but they do not always have the necessary experience to guide them through a crisis. This, I think, has been proven conclusively in the United States where a great many of the highest executive positions in banking and commerce have been occupied by men under thirty, and when the crisis of depression and closed banks came along they had not the necessary experience to guide their concerns through the troubled waters, and many fell by the wayside. I found in England that there were many men of 70 to 80 who were active heads of large and successful establishments.

T. BARRY HAYES, President.

* * * *

RETAIN EXPERIENCED BUT GIVE YOUNG MEN INCREASING RESPONSIBILITIES

Concerning the action of Imperial Oil, Ltd., in setting a limit of sixty-two years to the services of all employees including executives, I do not believe in the policy.

I think the advantages of having the weighed opinions of older men on the executive of any company far outweighs the benefits of having all young men who have not gone through the hard school of building up a business in practically a new country.

At the same time in the years gone by, I do not think our manufacturers as a whole have given the younger man the opportunities that they should have. I do not think any company can exist unless they are continually bringing some of the younger people to take the responsibilities. For example, when I look at the wonderful success that the Canadian National Exhibition has experienced through a period of fifty-five years, I am quite convinced that it has benefitted by the experiences and suggestions of the past presidents who are life directors of the Exhibition, and I believe it is partly responsible for the great success of this famous fair.

H. W. HUNT,
(President and Managing Director, Hunt's, Ltd., Toronto.)

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INDUSTRY NEEDS HELP OF BEST MEN, WHATEVER THEIR AGE

Personally, I cannot see how any special age limit can be set covering retirement of executives and employees. It does not seem to me to be scientific in any way, and during my short experience I could give you many concrete cases.

I know men who have burned themselves out before they were 50, and I have known men who had a very young mind at 70 and were still planning and putting into effect constructive ideas which gave employment to many other men. I have known other men between 50 and 60 who, when you met them, would start in talking about the good times of 20 years ago, and how much better things were done then. One can easily size such men up, about as follows: When they talked of 20 years ago, that was the golden age for them. Their minds simply stopped expanding and creating new things about that time, and time went right along and left them, and now whether they realize it or not, they are living with the past most of the time. The human mind is of course a great mystery. The scientist has said as our curiosity and planning die we die, and I guess it is about right.

Take a man, for instance, of 65 or 70, and I know many. He is deeply engaged in business. His mind is creative, and he is continually bringing forward and putting into effect new constructive ideas which employ many other men. Now, such men if they were superannuated at 62, instead of increasing employment, by someone taking their place, employment will be diminished in many cases, as quite possibly their successor, although younger, might be of the conservative type, might be a man who believed in consolidating and putting the brakes on expansion; then, instead of more men being employed, as they would have been under the constructive ideas of the other man, men might lose their jobs under too much conservatism. Many, many men between 60 and 75 are rich in experience, and I know I have been greatly helped by being able to consult men very frequently between these ages, who are active in business.

Speaking as a younger man, I fully realize that business today needs the help of the best minds of the country, and many of the best and most constructive minds I know are men between 60 and 70, and it would be a serious loss to the industries of the country if the great experience and business ability of many of our senior executives were eliminated from business at the age mentioned.

A. N. McLEAN,
(President, Connors Bros., Ltd., Saint John, N.B.)

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BELIEVES IMPERIAL OIL IS ADOPTING GOOD POLICY

You have requested my views on the action of the Imperial Oil Limited in setting an age limit of sixty-two years to the service of all employees, including executives, and whether this action may be followed sooner or later by other organizations.

There is no doubt in my mind that the action of Imperial Oil, which is controlled by the Standard Oil of New Jersey, is a good policy, particularly where they have enjoyed many years of favorable business, built up a huge surplus, and consequently are able to give their employees, after many years service and sixty-two years of age or over, a well-deserved rest, but there is one point I am afraid you have lost sight of, and that is that few of our concerns in Canada are in the same position as the above oil companies, and many, such as the companies I am connected with, have not been able to build up a proportionate reserve, and further, the executives of many companies, including ours, are individually the largest shareholders, consequently, it is necessary for a great many to remain at the head of their interests to see that same are properly safeguarded, etc.

I do not know the age of John D. Rockefeller Jr., but I do not imagine that he will retire from active connections with the different companies when he reaches or has reached the age of sixty-two years.

I am fully convinced however, that such an action is very desirable in order to allow the younger generation to assume responsibilities, and also to increase employment, which is very necessary these times with our colleges producing annually so many able and talented young men and women.

I am further convinced that the time has arrived when this should be a matter for the government, either federal or provincial, to take notice of, and that all companies should set up a fund through some source which would enable them to retire employees who have been incapacitated or have reached the age limit, and this should be on a participating basis. I am satisfied if some action were worked out on the proper basis that it would relieve a great deal of the hardships which are existing today.

J. A. KILPATRICK,
(President, Dominion Wheel & Foundries, Toronto, Ont.)

* * * *

COMPULSORY RETIREMENT SHOULD BE ACCOMPANIED BY PENSION SCHEME

It is a little difficult to answer your letter regarding compulsory retirement. This is a subject that can be viewed from so many angles that one should have considerable experience before attempting to pass judgment. However, on brief consideration, I would be inclined to say that a policy of compulsory retirement is one that should be considered very carefully before adoption.

It may be a practical way to accomplish the desired objective to set a retiring age as is done in the case of the Woolworth Company. To my mind, however, this is dangerous, leading as it may to hardship in the case of an employee in a humble position, or actual disadvantage to the company in the case of a valuable executive. Unless the humble employee is protected by a generous pension scheme, it is quite probable that he has no reserve or income on which to live after forced retirement, and is, therefore, dependent upon his family or friends. Then again, it is well known that to many men who have spent busy lives, retirement and enforced idleness are very dangerous to health and happiness.

In the case of the executive, it is assumed that his income has been generous, but in many cases, the expenses necessary to keep up his position do not afford him an opportunity to build up a surplus that will produce an income sufficient to maintain him in anything like his former mode of living, and a lowering of this standard is likely to impair health and happiness, as in the case of the humbler employee.

Finally, both an executive and an employee, through their years of service, have acquired an experience that must be of value to the company, and the question of sacrificing that experience should, to my mind, be a subject of careful consideration rather than arbitrary rule.

On the whole, this question of retirement is, in my opinion, better left for individual action.

A. E. CUTHBERTSON,
(President, Harding Carpets, Ltd., Brantford, Ont.)

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SUGGESTS RETIREMENT AGE OF 55 TO 60 YEARS WITH PROVISION FOR EXCEPTIONS

The results of my experience and observation, in the course of my own business career, lead me to suggest that the essential facts bearing on the problem are broadly speaking, as follows:

1. A generation ago men were generally considered to be definitely middle-aged by about 40 or 45. Advances in medical science and knowledge of diet and the physical care of the body, have increased the average span of life considerably.

2. Every man may be said to go on improving and increasing his usefulness and efficiency at his occupation as he learns from experience and matures mentally with advancing age—up to a certain point. Once he has reached the peak of his mental development, he will, after a relatively short term, begin to slowly go down grade. In most cases the change is very gradual, almost imperceptible at first, then gradually accelerating.

3. The age at which this "peak" of mental vigor and usefulness is reached, varies over a wide range with different men. It may be anywhere from, say, 45 to 65 or perhaps even outside of this range in exceptional cases. It is this fact, of course, that constitutes the principal difficulty in setting a fixed and arbitrary age limit for retirement.

4. It is scarcely practicable to leave the decision as to a suitable time for retiring to the judgment of the individual.

5. The age at which the peak of the mental powers is reached has not advanced in anything like proportion to the increase in expectancy of life, whereas the mental pressure under which we all live nowadays has increased tremendously. I was very much interested in some comments on the results of this, by Dr. Mayo, of the Mayo Clinic, which appeared in the daily press recently, under the heading "The pace that kills."

There is no doubt that some men are under very much greater strain in their daily work than others and therefore may be expected to wear out relatively sooner.

Under modern conditions, the strain on the executives of a business which is highly technical, subject to keen competition and constant change owing to new developments, is often terrific.

6. My observation has been that a great many more good business concerns suffer seriously from someone hanging on to the reins too long, than not long enough.

7. Many men do not like the idea of retiring until forced to do so through a serious breakdown or illness from which it is obvious that they will never fully recover their old powers.

Some say that they would not know what to do with themselves if they retired. This is too bad but has always seemed to me to be an indication of a regrettable poverty of intellect rather than a sound reason for hanging on to a position of responsibility after the time has come when it could be filled more effectively by a younger man.

8. Men who have been exceptionally vigorous in their youth and prime, who drive themselves to the limit of capacity, and are sometimes known as "human dynamos," usually begin to burn out at a relatively early age, say around 50. Then they often constitute a serious problem because they generally have great pride in their superior vigor and mental powers, and do not like to admit that they are slipping.

9. I am inclined to believe that the age at which the majority of men ought to retire, in the interests of efficiency, is somewhat earlier than is generally realized. It seems to me that every man should plan his life, financially and otherwise, with the idea of retiring shortly after he has passed the peak of usefulness in his occupation. He should, of course, cultivate a hobby or hobbies to which he can devote as much time and energy as he wishes after retirement.

The age for retirement in any particular organization might be set at, say 55 or 60, according to circumstances, with provision for a possible extension of five years or so in the case of a man of outstanding ability, at the discretion of the board of directors.

In conclusion I should like to say that I agree with you that the whole question is one of great interest, and in fact one of the big problems facing business and industry today.

I believe it would be very much in the interest of efficiency if more attention were paid to it.

R. E. SMYTHIES,
(President, Lincoln Electric Co. of Canada, Ltd., Toronto.)

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INTELLIGENCE AND INDISPENSABLENESS HAVE NO AGE

As far back as is known in the history of the world, at different times, specially during crises, experience and common sense have been temporarily put aside, finally to be taken back after much damage and suffering.

Experience of so-called old men is of prime importance, but in order to bear all its fruits it must be coupled with the energy of the younger generations. One is as necessary as the other, experience being the leader.

Intelligence and indispensableness have no age.

P. BECHARD,
(Vice-president and general manager, A. Belanger, Ltd.)

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MOST GREAT LEADERS HAVE BEEN OLD MEN

You have solicited an expression of views on what may be termed the age when man may be consistently retired from active service.

It is my opinion that the useful age of man is largely governed by the condition of man's mind. The great variety in this constitutional form of man's make-up, makes it difficult for anyone to state when the greatest usefulness in age may be determined. For example: The great leaders in world statesmanship in the past have been men verging on the age of 70 years. The most successful directors of mining operations whom I have known, have been men varying in age from 60 to 70 years. In the line of inventions, we find men of all ages, from 18 years to 80 years. In law and the direction of financial institutions, we find men occupying prominent positions varying from 35 years to 75 years of age. In the various forms of engineering, we find men ranging from 25 years to 75 years, and so on; these variations in the most useful age of man are in evidence all through the ramifications of human endeavor.

If a rule to cast men to one side at the age of 62 years is followed, youth will lose valuable help, in some industries, where more mature minds are able to give such guidance, and this will in turn be a great loss to the industry.

The thought is sometimes expressed that men who have devoted 30 or 40 years of their lives to industrial work ought to have a well-earned rest. My experience has been that when men of this class are cast to one side, and their routine of life suddenly changed from useful daily application to a life of idleness, they do not find any real rest or contentment in the change, but on the contrary, through idleness, find their new form of living irksome and depressing.

Then, turning to the working class who live largely through the muscular application of their energies: I think that men who have spent their greater strength in this form of occupation, doing the drudging in human organization, should have the opportunity if he desires to do so, of retiring from this form of toil at not more than 60 years of age, with provision made by the state or province for his future livelihood and welfare. The financial obligation to care for this class of citizen may in consistency with the circumstances be collected from the three following sources, i.e., one-third from the workman; one-third from industry; and one-third from the government. This suggestion is based on the fact that the application of common labor varies to a great extent in the several industries, for example: In the production of natural gas or oil, much less common labor is employed steadily to produce the same amount of economic revenue than there is employed in coal mines to produce the same amount of economic returns. The same reference may be made to other classified industries.

W. A. WILSON,
(President, Wilson Mining & Investment Co., Vancouver, B.C.)

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STRONG COMPANIES ONLY CAN AFFORD RETIREMENT ON PENSION

You ask my ideas on the subject of retirement age pensions for employees and executives of business organizations.

I do not feel qualified to express any definite views on this subject as it appears to me it is a question, at least under our past and present general conditions, that is applicable to the older established concern which has built up ample reserves and resources. Fortunately or otherwise, I have never been connected with any large organization and consequently the matter has never given me serious concern.

It seems to me considerable time is necessary, especially in a highly competitive business, for an organization to build up sufficient resources to meet this condition, and unless it was a compulsory matter affecting all alike, and to be included by all, in operating costs, it would be impossible for the smaller organization to take care of this burden.

C. E. DISHER,
(President Disher Steel Construction Co., Toronto).

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USUALLY SLOW DOWN AT 65, OFTEN HAVE VALUABLE KNOWLEDGE

The rule for retiring an employee at a specific age depends on the type of work he is engaged in and the condition of the worker, both physically and mentally.

A man or woman who is both physically and mentally fit at the age of 65 has had, generally speaking, a great deal of experience which should be valuable in an executive position. As a rule, people slow down considerably at that age, but this is very often offset by a great store of knowledge gained by years of experience. Environment also has something to do with the retirement age and if the worker has been under medical care when necessary and worked in healthful and congenial surroundings, he will be more fit mentally and physically.

Judging individual cases on their merits is sometimes more satisfactory, both from the viewpoint of the employee and that of the company. It would not seem advisable to set up the same fixed retirement age for widely different types of industry.

NORMAN J. DAWES,
(President and Managing Director The National Breweries, Montreal.)

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IS MATTER FOR EACH INDIVIDUAL FIRM TO WORK OUT

I may not be as capable of giving an opinion on a matter of this nature as other executives who have lived to see men retired, who have held prominent executive positions for many years with the firms that they have been connected with. Also, the action of Imperial Oil, Ltd., in setting a limit of 62 years to the service of all employees, including executives, does not mean, in my opinion, that such a course would be altogether the proper one for every company and I would think that were a time limit set to the service of employees in any large business, executives should be treated in a different manner. Many executives at the age of 62, or even older, are at the height of their value to the firms with whom they are connected. Undoubtedly, there are plenty of executives much younger than the 62 year age limit today who are not nearly as valuable to their firms as many men much older. In other words, I do not see how a matter of this nature can be properly regulated by a set rule. I would say it is a matter for the individual firm to work out itself.

Pension policies, of course, and the number of people drawing them must be governed by the financial position of the company in question. This point, of course, does not pertain to institutions such as banks, civil service and very large industrial businesses.

I can only say as far as our own company is concerned, if the matter of setting a time limit to the service of employees was taken up, we would not consider it sound business to take from active service and pension off men who, even though they would be over 60 years of age, are functioning at the highest degree possible. I think it is a very fine thing if large firms are able to reward employees when the time for active service is over in the opinion of the executives of such firm, but I do not see anything to be gained by taking valuable men, even though they are in excess of sixty years of age, from active participation in their company's affairs when they are functioning at their best, which is the case in many instances. A man's age does not in any way determine his value to the company he is with, particularly in an executive position, in my estimation.

W. S. THOMPSON,
(President, Supersilk Hosiery Mills, Ltd., London.)

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DEPENDS ON PROFITABLE EMPLOYMENT AND PENSION

You yourselves have very fully dealt with this subject and you have suggested the only possible conclusion, viz., that the whole question of fixed retirement age depends upon, first, previous continuous profitable employment and the amount of retiring pension.

Such a procedure is admirable in the case of some companies for the reasons cited by you, but to make such a rule for general application to industry and trade as a whole would be disastrous to the individual and the business alike.

L. B. BEATH,
(President W. D. Beath & Son, Ltd., Toronto.)

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HOLD BY TRIED EXPERIENCE BUT RECRUIT FROM YOUTH

The question raised by you as to the advisability of companies following the action of Imperial Oil, Ltd., in setting a limit of 62 years of age to the service of all employees, including executives, is a very delicate and difficult one to answer.

In my opinion, I feel that men of good health, particularly as executives, have still a very good judgment at the age of 62. No doubt that, in general, men over 60 lose some of their ambition and aggressiveness, but I know a great number, past this age, who are still very vigorous and aggressive.

If my memory serves me right, a great number of men over 60 were employed as war directors during the Great War of 1914, and their judgment was, without any question of doubt, as good as could be expected.

Personally, I would not like to say that all men of 62 should be discarded. On the other hand, if I was looking for new help, it is natural to think that I would look forward to younger men.

J. A. HEBERT,
(Pres. and Gen. Mgr., C. W. Lindsay & Co., Ltd.)

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SHOULD REARRANGE WORK OF OLDER MEN

You are right in stating that this matter of limiting the years of service of employees, including executives, is receiving the consideration of most companies. How best to deal with the problem is a matter which we have not yet determined upon to our own satisfaction. The days of business pioneering in this country are fast disappearing. Most businesses are now public companies, and undoubtedly the executives of such companies are desirous of retiring from the strain of business, at least at the age of 65, and, generally speaking, it is in the interest of most firms that this should be done, younger executives taking charge, possibly under the chairmanship of an older executive possessed of long years of experience and mature judgment.

In so far as employees generally are concerned, it seems to us that if a man at the age of 65 is not in a position to retire, either on his own savings or through some pension scheme, after he has given to the firm the best years of his life, it should be a matter of rearranging his work so that he can remain in the service of the company without impairing the efficiency of the work and at the same time permit him to receive a reasonable income.

JOHN BURNS,
(Vice-President and Gen. Mgr., Burns & Co., Calgary.)

CANADA HITS RUSS DUMPING IN U.K. MARKET

Points To Ottawa Pacts To Prevent Lumber Dumping

CITE "FALL CLAUSE"

Canada Calls on U. K. to Implement Article 21 of Ottawa Covenant

Canada is actively fighting the unfair competition in the British market of Russian lumber, pointing to the anti-dumping agreement of the Ottawa Imperial Conference which calls for the exclusion of goods produced by state controlled, forced or convict labor, according to an article in the London Times. Article 21 of the Ottawa agreements sets forth that the Board of Trade may prohibit the importation of goods produced by state aid and sold at a cost with which Empire exporters cannot possibly compete, it is pointed out.

The "Fall Clause" in the contracts afforded by Russia makes it possible for her automatically to undercut all competitors. "That any sums paid for Russian timber which turn out to be above those quoted for timber from other sources shall be returned to the importer is an economic principle which must have vicious consequences," the Times states.

Results of Embargo

When the embargo on Russian lumber was in force, the article continues, Canadian exporters were able to force an entry into markets in Great Britain which were previously closed to them owing to the firm conviction that Russian and Baltic lumber was superior. The embargo also provided an opportunity to disprove the fallacy that Canada could not increase her exports at short notice to make up for the lack of Russian supplies. In this regard, the article states:

"On many lines of Canadian timber production, exports doubled during May of this year, the first full month of the embargo. The quality was so consistent as to surprise those importers who had not used Canadian timber before. In actual fact Canadian wood has for years withstood building and road-paving tests in many parts of Great Britain. In London British Columbian blocks are used extensively in roadways. From Hull, Coventry, Birmingham, Glasgow, Liverpool, and elsewhere come reports of their excellence and durability. In face of such evidence it is difficult to sustain the argument of those pledged to Russian timber that the Canadian product leaves much to be desired. Admittedly there are sections of the trade in which individual tastes or specific requirements relegate Dominion timber to a secondary place.

"It is claimed by Canada that much of the advantage accruing from the quality of her timber and from the overhaul of marketing methods has been nullified by economic adjustment in favor of a country conspicuously unfair in its dealings and devoid of moral responsibility. The price paid involves the unemployment of thousands of British and Canadian workers in lumber camps and forest stations. The application of Article 21 would, it is argued, give stability to the timber market and prevent the destruction of an Empire industry without adding noticeably (if at all) to the ultimate cost to the British consumer."

Austrian Loan Made in Europe By 4 Countries

Austrian loans have been issued simultaneously in the British, French, Italian and Swiss markets. This was provided by the Lausanne agreements of a year ago. The loans are for 20 years and are payable in the respective currencies, but interest rates vary in the different markets.

The loans bear the guarantee of each government and are secured by Austrian customs and tobacco monopoly revenues after prior charges of the 1923 and 1931 international loans.

The total of the loans will amount to 250,000,000 schillings ($34,846,750) of which 150,000,000 will be used to repay Austrian government borrowings from the National Bank. As a result of the loan it is expected that a 200,000,000 schilling Austrian internal loan may be floated to carry out public works.

The loan was apportioned:

Where placed:	Schillings	Coupon %
Britain	100,000,000	3
France	100,000,000	5
Italy	30,000,000	5
Switzerland	5,500,000	*4
Belgium	14,500,000	†
Holland		
Czechoslovakia		

*Governmental credit not offered publicly.
†Not yet offered

Austria is the only eastern European government which has maintained full interest and sinking fund installment in its external debt. But there are arrears on payments to sinking fund trustees. The country has also removed all restrictions on foreign exchange at the expense of depreciation of the currency in terms of gold.

Montreal Real Estate Active

Real estate sales during the seven month period from January to July, inclusive, in the city of Montreal numbered 2,897 and had a value of $24,152,139, while the suburban municipalities registered 1,156 sales with a value of $6,260,605. The month of July contributed to this total 336 transfers in the city proper with a value of $3,090,060 and in the suburbs 148 sales at a value of $855,147.

Alberta Oil in Lead

Latest federal figures show the crude petroleum production of the Alberta oil fields, during the first half of the current year, at 458,055 barrels, out of a Dominion total of 531,258 barrels. The Turner Valley contributed 426,203 barrels to this total.

Grain and Milling in Canada

Wheat

From Our Grain Correspondent

Wheat Shipments Small

WINNIPEG.—World wheat shipments, as for weeks past, continue at a level little more than nine million bushels weekly, with Canada supplying slightly more than a third and Australia and the Argentine dividing most of the remainder. Black Sea shipments remain small, although they are expected shortly to increase.

Absolutely contradictory reports are coming out about the Russian situation, some of them to the effect that a bumper crop has been produced, and others insisting on the possibility of a food shortage, and tremendous difficulties being faced in getting the crop harvested, and in getting it out of the hands of the peasants who have produced it. The probability is that some crops are already known to be good, and that as yet certain knowledge as to results in other districts is lacking.

* * *

World Crop Conditions

ALTHOUGH the market appears to have paid little attention to the London Wheat Conference, it is, if anything on account of uncertainties as to possible developments, having a deterrent effect upon buying for anything but immediate needs. The increase in the British crop, apparently the direct result of the government's attempts to stimulate the home production of wheat, is regarded as distinctly bearish, although observers insist that it is likely to interfere more with the buying of Australian than of Canadian wheat.

Extremely pessimistic reports as to the condition of Australian and Argentine crops support the idea that the supplies of wheat in the world are likely to be considerably reduced during the current year, in spite of Europe's large production, although only poor production in the Northern Hemisphere in 1934 could create a possibility of anything like a shortage.

* * *

United States Markets

ALL GRAIN markets in the United States are somewhat perturbed over the new governmental scheme for early slaughtering of a very large number of hogs, with the object of increasing domestic prices through reducing the surplus of pork products. For the immediate present, however, the surplus will be increased, although the plan for free distribution of meat through relief agencies to families in want may offset that feature. Higher pork prices are tied up with the administration idea that corn prices can concurrently be raised, partly because hogs should bring more money and partly because a processing tax on pork is to be used to take some corn land out of cultivation. But fewer animals will mean lessened requirements for feed grain.

The situation is so obscure, with the possibility of sudden changes in plants, that traders tend to be very nervous about grain markets, and to entertain doubts as to the success of administration plans for price raising. As reflected in grain markets, there seems to be an increasing degree of doubt as to early resort to inflationary measures to increase prices.

* * *

Domestic Exports and Deliveries

THE loading of several cargoes of wheat at Churchill does not appear to have had any market effect, and it is presumed that the firms handling this business arranged some time ago for the disposition of the wheat in question. Shipments from other ports have been correspondingly reduced, but lake and ocean freights have been so low that this business can hardly be effective in creating any further reduction.

Country deliveries of wheat, in spite of the smallness of the crop, have been mounting, as weather has been favorable for threshing and harvesting, and may shortly reach two million bushels daily. While some uneasiness is being expressed as to the ability of the market to absorb offerings, it is to be remembered that the total quantity coming forward on the continent to much less than is usual at this time of year, and the increasing of the load here, is accompanied by a considerable diminution of that carried in the Southern Hemisphere.

Resume Whaling Operations

With market prospects better this year in the two leading buying countries—the United Kingdom and the United States—whaling operations are being resumed off the Queen Charlotte Islands, B.C., after having been suspended for a couple of years. The last year's (1930), operations yielded oil, whalebone, meal and fertilizer to the value of $228,000.

Ontario Grows Soya Beans

The Co-operative Soya Bean mill at Chatham reports having 10,000 acres of beans under contract, and expects to have a crop of some 2,000,000 bushels of beans yielding an output of about 40 carloads and many carloads of bean meal.

NO HARM DONE BY PRICE PEGGING ON 'PEG MARKET

But Dangers Are Well Known to All Traders

From Our Own Correspondent

WINNIPEG.—So far the Winnipeg market's experiment with a pegged price appears to have worked without harm, although everyone connected with the market is well aware of its dangers. There can be no certainty that such a step has had any real consequence until trading is brought to a stop by the refusal of buyers to pay the minimum price, and the inability of sellers to do business at less than the minimum.

That has happened at Winnipeg since the minimum was established, although not for very long at a time, but a very considerable volume of export sales have been completed at something above the minimum price. It has happened to a large extent in Chicago, where both a minimum price and limits upon daily fluctuations were in effect for a considerable time. But there the cessation of trade in futures, although it very largely impeded the sale of grain by farmers and the merchandising of flour, did not bring these entirely to a stop, but rather caused them to be conducted on a much wider margin than usual.

Hedging Would Stop

At Winnipeg any interruption of the ability of elevator companies to hedge grain would probably at first bring country purchases to a stop, if for no other reason than the dislike of the banks to lending money on unhedged grains. Subsequently, doubtless some means would be found of reviving buying, but at such discounts under the pegged price as to make the latter useless.

One danger of the situation was illustrated by despatches from Great Britain blaming the Canadian Government for getting the minimum price instituted, and claiming that it constituted such a breach of the Ottawa understanding as to justify cancelling the British preference on wheat. The suggestion of government interference was not justified, for it was the exchange itself, with the one object of avoiding unnecessary reactions from the Chicago market which decided to impose the minimum prices.

Government Not Implicated

While it appears that some arrangements must have been made by which the Government agency undertook temporarily to assume necessary hedges with respect to wheat sold in the country by farmers, it is altogether probable that the Exchange would have taken its action in any event, even at the risk of bringing business to a halt for a short time.

It was the imposition of minimum prices, and of maximum daily fluctuations at Chicago, or rather the fact that business was halted there by such action, that made the necessity felt for some such action at Winnipeg. Hedging trading which could not proceed there tended to be shifted to Winnipeg, and the local market proved to be too narrow to absorb it, in the volume offered, without violent fluctuations. A sudden spurt of buying would send prices up disproportionately, and an increase in selling pressure would have a correspondingly depressing effect.

Doubt Price Restrictions

There is now more doubt than was formerly the case at Chicago as to the usefulness of the price restrictions tried there, and there is a feeling that perhaps the technical dislocation of the market, due to the failure of a large trader, had been exaggerated. It seems to have been established that the existence of limits tend to prevent an advance, as buyers, to quote the words used at Chicago, hesitate to get into a market from which they may not be able to get out.

One hears in Winnipeg and in the West a good deal of blame for "Chicago speculators" for having upset the course of the market here, in evident forgetfulness of the fact that, while Winnipeg's recent rise, and subsequent decline, would not have been possible without outside buying, the rise would have been impossible without a very tight holding of wheat in Canada, based on the theory that prices had to go up because we had a short crop. But it is also found that at Chicago the erratic movements are blamed on "Eastern" buying and selling.

The fact appears to be that a good deal of trading from unaccustomed sources entered the wheat market as soon as the exchange value of the United States dollar began to be a matter of doubt, and both Chicago and Winnipeg prices advanced because of anticipation of the course of exchange. It is impossible to avoid influence on the market from such sources, and in the United States it must be said that such influence was absolutely invited by the Government, which proclaimed its intention of advancing prices, and its willingness to alter the value of the dollar if necessary to that end.

Ottawa Makes Big Error Guessing '32 Wheat Yield

From Our Own Correspondent

MONTREAL.—An error of nearly 10 per cent in estimating the size of Canada's 1932 wheat crop is causing no little comment among grain dealers, brokers, shippers and others interested in the grain trade. The greatest care is taken by the Federal authorities in arriving at their estimate of the size of the wheat crop and the margin of error seldom fluctuates more than 2 or 3 per cent one way or the other. The appreciable difference between the Federal Government's final estimate on last year's crop and what actually was produced, however, is of serious import to those engaged in marketing Canada's most important export commodity.

On January 20, 1933, the Bureau of Statistics issued its final estimate of the 1932 crop, placing the yield at 428,514,000. With the end of the 1932 crop year on July 31 last, a check-up discloses the fact that apparently last year's wheat yield was 469,199,708 bushels, or 40,685,708 bushels more than finally estimated by the Bureau.

The following table shows the distribution of the 1932 crop and the basis for the statement that Ottawa made a mistake of nearly 10 per cent in estimating the yield of wheat:

		Bushels
Carryover, July 31, 1933 (in Canada only)		211,740,188
Exports—August 1, 1932, to July 31, 1933:		
Wheat	240,136,568	
Wheat flour—expressed in terms of wheat	24,167,758	
		264,304,326
Domestic consumption (estimated by W. S. Evans)		125,000,000
Total accounted for		601,044,514
Less carryover July 31, 1932		131,844,806
Apparent 1932 crop		469,199,708
Official final estimate issued January 20, 1933		428,514,000
Underestimate		40,685,708

Says Present Markets Supply Traders' Needs

Cannot Visualize Better Method of Handling Wheat — System in Force Has Grown in Response to Practical Requirements

By H. E. SELLERS

President, Federal Grain Co., Winnipeg

Address Given at the World Grain Conference, Regina

It cannot be too strongly emphasized that the present system of financing the movement of grain has grown up in response to the practical requirements of the situation and has proved its efficiency under the most diverse conditions.

It depends for its successful operation on the existence of the trading facilities provided by the Winnipeg Grain Exchange and especially upon the wide futures market which is so important a part of those facilities.

By a futures market is meant the facility for buying and selling contracts for the delivery of grain at some convenient time in the future at a price fixed in the contract.

Hedging Explained

The conference is doubtless familiar with the operation known as hedging. The purchaser of grain from the growers is enabled to protect himself from the changes in price which may occur during the period the grain is in his possession by selling an equivalent quantity of grain for future delivery, the price stated in such contract being always in close relation to the price paid for the actual grain on a given day. Any gain or loss which might result from a rise or fall in the price of grain is thus offset by a corresponding loss or gain in the price of the futures contract.

The elimination of the risk of loss to the grain buyer provided by hedging enables the purchases of grain by responsible dealers to be financed at reasonable cost.

The cost of financing the marketing of grain is naturally dependent upon the nature of the security offered and the rate of interest charged on the advances made. Under the Bank Act authority is conferred on the banks to accept grain or grain documents as security for advances. Advances are usually made up to 90 per cent of the value of the grain pledged and the total credits extended to country elevators, terminal elevators and exporters run into very large figures. At 60 cents a bushel this total would be from 175-200 million dollars, increasing proportionately as the price increased. One of the effects of the recent rise in grain prices has been to increase the advances to the grain trade by many millions of dollars and to find profitable employment for some of the money for which bankers have been unable to find outlets during the severity of the depression.

Ten Per Cent Margin

The margin between the market price of the grain and the advances made on it is usually ten to fifteen per cent. This margin must be maintained by the borrower at all times and the grain must invariably be hedged. No bank will now advance money on a ten or fifteen per cent margin on grain that is not hedged. The margin required in such case would be nearer 40 cents a bushel, depending to some extent on the financial standing of the borrower and the extent of his other assets.

This requirement of the bankers that grain must be hedged is a clear indication of the value of the futures market maintained by the Winnipeg Grain Exchange in eliminating the risk of loss resulting from price fluctuations. In evidence before the Stamp Commission a witness representing the Bankers' Association pointed out that this risk must be taken by someone. Without the futures market, he said, grain dealers would protect themselves by reducing the price to the growers and they would avoid carrying grain and re-sell it immediately, thus depressing prices and increasing the fluctuations of the market.

Protection for Banks

The witness went on to say: "A further and serious result of the abolition of the futures market would be the necessity for a marked curtailment of banking credit to grain dealers. Because of the safeguards afforded by the Winnipeg Grain Exchange for hedging grain purchases, grain dealers are able to borrow from the banks against grain holdings with a margin of only 10-15 per cent. If the banks' customers were not protected against the risk of a fall in price it would obviously be necessary for the banks to exact a much larger margin — indeed, during a period of abnormally high prices the margin required might be such as to seriously cramp the smaller grain dealers and so lessen the competition among buyers of grain."

This testimony of a banker to the value of hedging as an insurance against risk, as tending to maintain healthy competition in the grain markets, and as resulting in the free movement of grain, is borne out by the experience of all dealers in grain.

In the absence of a futures market the financing of the crop movement would be more costly. In addition to the allowance grain buyers would be compelled to make against the risk of loss if they were unable to hedge their purchases, a larger capital would be required. Whether this larger fund was obtained from the banks or was provided by those engaged in grain trading, it would involve an increase in the cost of the service which would necessarily affect the price paid to the producers.

Cost of Changes

The question now before the conference is whether changes are needed in the financing of the world's wheat surpluses. The only changes which have been suggested in the lengthy discussions of grain marketing with which we are all familiar would have the result of increasing the cost of financing rather than of lessening it.

This increased cost would fall on the growers of grain except in one contingency — that is, the extension of governmental financing. In that case, the loss might be expected to fall on the already overburdened taxpayers, among whom, of course, the producers are included.

Of the handling and financing of surpluses of many commodities by governmental agencies in various countries there have been many instances in recent years. Almost without exception these experiments have involved heavy losses.

Traders' Needs Supplied

The thoughtful observer is driven to the conclusion already reached by many royal commissions and practically all students of economics: that the existing financial machinery has been developed in response to practical requirements and is remarkably efficient in carrying out the functions imposed on it at the lowest possible cost and with the least risk to those affected. The substitution of state finance for the present system would involve the abolition of the futures market and would increase both the cost and the risks of handling grain, which cost must ultimately be borne by the producers or the taxpayers.

Winnipeg Grain Prices

Week to August 22

Crop year from Aug. 1, 1933 High	Crop year from Aug. 1, 1933 Low		Open Aug. 16	High for week	Low for week	Close Aug. 22
		Wheat				
.89¼	.67	October	.71½	.74¾	.70⅛	.71⅝
.90⅞	.69	December	.73¼	.77⅛	.71⅝	.73⅜
.95	.73	May	.77¾	.81½	.76⅝	.78½
		Oats				
.45	.27	October	.37¾	.41½	.37½	.39⅝
.45¾	.36¾	December	.37⅝	.41⅛	.37¼	.40¼
.48½	.37⅞	May	.39⅜	.44	.39⅛	.42
		Barley				
.55⅞	.41¾	October	.42	.45¾	.41¾	.42¾
.56⅛	.42¾	December	.43¼	.47¼	.43⅛	.44⅝
.59¾	.45	May	.46¾	.50	.45⅞	.47⅞
		Flax				
1.55	1.36	October	1.37½	1.46⅞	1.37½	1.45⅝
1.54	1.35¼	December	1.41½	1.46½	1.36½	1.45
1.60	1.40¾	May	1.42	1.51⅛	1.42	1.50½
		Rye				
.62¾	.45¼	October	.47⅝	.53½	.47⅝	.51⅝
.64½	.47½	December	.49	.55½	.49	.53⅜
.68½	.51⅝	May	.55	.60⅝	.54⅛	.58⅝

CANADIAN WHEAT HAILED AS FINEST BY BRITISH FIRM

Contains More Gluten Than Any Other is Claim

Hailed as the finest wheat in the world as it contains more gluten—the "strength" of wheat—than any other, Canadian wheat is being used almost exclusively in England in the manufacture of "Energen" bread. This bread, which is produced by Energen Foods Co., Ltd., London, Eng., and is sold throughout the world, is claimed to have a considerably lower starch content than any other bread product and therefore is recommended by the manufacturers for persons suffering from indigestion and overweight.

Throughout the history of the world, wheaten bread has varied in food value in every country, in every district and from day to day, an advertising folder on this product points out. It is also stated that fresh bread and stale bread vary greatly in food value. Energen bread is claimed to be the first standard bread which does not vary in any way in any part of the world.

Manufacturing Process

Methods of manufacture and packaging are explained in a memorandum prepared at the request of The Financial Post by Richard Maurice, chairman and managing director of the company:

"Canadian wheat is one of the priceless possessions of the Empire. It is for all practical purposes the finest wheat in the world, in that, with the exception possibly of wheat grown in certain parts of Russia and not available for ordinary consumption, it is the one which contains the highest proportion of protein in the form of gluten. This is what constitutes the 'strength of the wheat.' The Energen Company also markets—because it contains such a high proportion of this invaluable food substance — a product under the name of 'Strength of Wheat.'

"Protein, as all food chemists know, is the nitrogenous or living part of the wheat berry, and is the basis of life and strength in human beings.

"The method of preparation for Energen Bread consists of churning the starch out of the milled wheat in rotating machines revolving in water. The starch is removed in this way until the mass of gluten remains, not only for breadmaking purposes, but to be dried and milled as an addition to ordinary foods. Energen bread is made by taking weighed quantities of wet gluten and mixing them with weighed quantities of flour, in order to produce a definite combination of protein and carbohydrate, or gluten and starch, from which the Energen loaves are made. The mass is subdivided by suitable machines, so that each piece has a regular and invariable weight. It is then rolled into suitable shapes by an appropriate machine process for forming batons, batonettes, rolls and loavettes. These four shapes are held to cover all the requirements of the bread consumer.

"The bread after baking, is dried in hot air so that the cooking process originating in the baking oven is continued to the interior of the loaf, and the product thus dried, enclosed in waxed wrapped cartons or tins, keeps without change, deterioration or loss of moisture for an indefinite period. On each package the weight of the individual loaf is stated, together with the number of grams of protein, carbohydrate and fat in each piece, as well as the number of calories. The consumer, therefore, knows the exact food value of every piece of Energen bread which he eats. The claim that Energen bread is a scientific food, is therefore justified."

VANCOUVER LEADS IN GRAIN SHIPMENT

Exports in Past Crop Year Surpass Previous Best

From Our Own Correspondent

VANCOUVER.—Despite the competition of below-cost rail rates in the Great Lakes section, the shortage of tramp cargo carriers and a decline in purchases by China, Vancouver surpassed all its previous records as a grain port during the season just closed, handling 90,721,000 bushels of wheat as compared with Montreal's 65,830,000 bushels. More than 6,000,000 bushels of coarse grains were also shipped through this port.

In reporting to the Vancouver Grain Exchange, D. R. MacLean, retiring chairman, stated that the movement of wheat through United States ports was steadily declining as a result of the diversion of the wheat flow westward to Vancouver.

Ten years ago United States ports handled 67 per cent of the Canadian export crop, but last season this figure had declined to 12 per cent, while Vancouver handled 43 per cent of the export and other Canadian ports 45 per cent.

The market in China has run true to form during the past season, and with the quality of Canadian wheat running so high that market could not be expected to absorb very much, as demand is principally governed by the trend in prices. Countries having an exportable surplus of low-grade wheat were able to secure most of the Chinese business, being further favored by the exchange situation. Only 11,000,000 bushels of wheat were shipped to China last year, although 30,000,000 bushels is a fair average for recent years.

Total storage capacity in Vancouver elevators is now 17,900,000 bushels, greater than that of any other seaboard port in the world. Additional storage constructed during the past year was for 465,000 bushels at the Pacific Terminal Elevator, 1,000,000 bushels at the United Grain Growers elevator, and 150,000 bushels at the Columbia elevator.

Impaired Southern Crops Lone Bullish Influence

Australia and Argentine Expect Smaller Outturn — South Africa May Have to Import — U. S. Dumping Threat Unsettling

From Our Own Correspondent

WINNIPEG.—Such bullish influence as is exerted upon British and Continental wheat markets at the present time comes entirely from consideration of impaired crop prospects in the Southern Hemisphere.

In both Australia and the Argentine there is a reduction in wheat acreage, and in each country weather has been such as to suggest a crop yield in December much less than average. As both countries are now in mid-winter there is a good deal of time during which conditions may change for the better, but it is generally assumed that a winter wheat crop which has not already a good start when the spring growing season commences has a poor chance of making a satisfactory yield.

Although the Australian condition has now been known for a considerable time, it was beginning to lose its effect on the market when the probability became evident that China might require less Australian wheat in the first half of 1934 than had been the case in the first half of 1933, but increased attention began to be paid to it when it became evident that the Argentine might also have a poor crop.

Drought in South Africa

It is possible also that the drought in South Africa, where corn production has been poor and will necessitate a considerable import, instead of the usual export movement, and where thousands of livestock have been destroyed by the lack of water and of grass, may ultimately have some effect upon the world food supply.

Attention, too, will shortly be given to the prospects for the next winter wheat of the United States. The winter wheat belt is still suffering from lack of moisture. That, combined with the poor financial position of farmers there, crippled by this year's crop failure over wide areas, which is likely both to cut down acreage and to impair the quality of farming, may give the crop which is shortly to be sown a poor start.

The Russian wheat situation is still puzzling observers. Broomhall recently estimated that Russia might be able to export 40,000,000 bushels during the current crop year. Some small sales for export have been made, and some actual shipments, but neither yet in sufficient volume to indicate that any very large business is contemplated. It would seem probable that the Russian government is for the moment merely keeping open its lines of communication with importing countries, until the final outcome of both the wheat and rye crops throughout the country is known, and it can be determined whether any substantial exports can safely be allowed.

Both France and Germany continue to offer subsidized export wheat to Great Britain at very low prices. Considering the loss that such exports must represent, in comparison with the artificially sustained prices which are being paid to farmers, it seems unlikely that they will be continued in any great volume, but both Belgium and the Netherlands seem to feel an impulse to protect their home market prices against such offers by additional duties.

U. S. Threats Affect Market

The threats that Secretary of Agriculture Wallace is making in the United States as to subsidized export of wheat from that country, if other countries will not reach a wheat agreement at London, are a disturbing market influence to some extent, not only because of the possibility of such exports, but because they might further complicate the system of restrictions in effect in countries which usually import.

The wheat which Secretary Wallace has in mind is apparently only that of the Pacific Coast, where, unlike the rest of the country, fair crops have been harvested. This wheat formerly found a considerable market in China, but has been displaced of late by Australian wheat. The rest of the United States can absorb some of it, as it is soft wheat of the biscuit type, but not a great deal, and wheat prices in Oregon and Washington, while they have risen to some extent, enough to preclude export, have not had the advantage of the full rise that has taken place at Chicago.

Chinese Requirements

The Chinese buy soft wheat such as this, and Australian wheat, not because they do not value strength in flour, but rather because, when it can be obtained cheaply, it can be mixed advantageously with their own wheat, which is of the hard type. Although the Chinese do not make much bread, a good gluten content in their flour is nevertheless required, so that dough balls, or noodles, into which their flour is chiefly made, will hold together satisfactorily in cooking.

Owing to the pronounced objection of most countries to "dumping" and also to the general nature of the United States policy on that subject, it is assumed that the only "subsidized export" which the United States government would be likely to put into effect would be the sale of additional quantities of wheat to the Chinese government, and possibly later to the Russian Government should wheat be required at Pacific ports, against loans, with no great expectation of early repayment, and at world prices, instead of United States interior prices.

In the Mail

Governments and Wheat

Editor, The Financial Post,

Allow me to congratulate you on your splendid front page editorial, on the Canadian Government's operation in the wheat markets, in your issue of August 19. This was most helpful to a clear understanding of the major movements in the wheat markets since the Government undertook to stabilize wheat prices, by guaranteeing the banking accounts of the big Canadian wheat pools. Your statement regarding the speculative operations of the Government are confirmed by recent market reports appearing in the daily press to the effect that J. I. McFarland, Government manager for the wheat pools, was recently holding over 100 million bushels of wheat futures.

The total failure of the now defunct Federal Farm Board of the U. S. to stabilize wheat prices during its three years of operations and its piling up of over 350 millions of losses for taxpayers to groan under, should be a lesson for any nation and a warning for all goverments to avoid meddling with market mechanism.

The experience of both Canada and the U.S in recent times, and especially during the past few weeks, proves conclusively the utter folly of governments tinkering with the highly scientific machinery of grain markets.

All federal laws or regulations can do is to banish such men from the wheat pits, and the publicity clause in a U. S. law, providing for reports to the U. S. Dept. of Agriculture of all deals of 500,000 bushels or over, did that very thing. Not till it was suspended last October did the big speculators, like Mr. Cutten, return to the wheat pits. The steady rise in wheat prices since last April, from 50 cents to over $1.25 a bushel, showed what free and uncontrolled markets can do for the farmer, when the big speculators are in action.

When wheat prices got too high for even a very short crop to justify, speculative selling forced a decline. At once the hue and cry went up about the "wheat gamblers and market raiders." This nonsense was recently re-echoed at Winnipeg, when foolish restrictions in Chicago forced trading operations away from Chicago to Winnipeg. There was not a word of this sort during the bull market.

The latest news from Chicago is that all restrictions and limitations are removed and grain markets are to be free again. All interference with the free play of economic forces in any market operation is a mistake and a blunder to be avoided always. Only under such freedom can markets exert their full influence on prices and so control production. In the long run, the greatest benefit to farmers is in such a market for their products, especially in all markets which provide for future trading.

After the events of recent years, there is no excuse for any delusions befogging the thinking of citizens of either U. S. or Canada, regarding the marketing of the major crops that come from the farms. Get both governments out of the markets and keep them out, and permit no government meddling.

EDWIN MEAD.

Huntsville, Ont.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Uncertainties re Inflation Affect Stock Investments

Growing Doubts as to Where United States Programme is Heading—Inflation Would Cause Rush Into Equities and Commodities—But What About the End, Ask Anti-inflationists?—Confidence Greater Otherwise

About a month before the 1929 market crash you issued a warning to which I have always referred as your keep-one-foot-on-the-shore article. Two or three weeks before the recent decline you felt constrained to call attention to the highly dangerous condition of the market.

In view of these and other facts I cannot help having a great respect for your opinion, and I should be very glad to know if you consider the July crash merely the inevitable result of wild and exaggerated speculation, or the result of something more fundamental—a fear that business conditions are not showing any real and wide improvement and that the means so far taken in the U. S. A. to improve matters may end in greater disaster than ever. Specifically, I am trying to decide whether the present is the time to hold industrial stock and buy more, or whether it is the time to liquidate in the expectation of lower prices later on. I would be very grateful for an opinion.

When Wrecks are Cleared

When the wrecks have been cleared away after every major depression in the past it has been found that a courageous few have profited by buying at or near the bottom of the market when everybody else felt that the situation was dark and gloomy. When the next prosperity period is so definitely with us that it is unmistakable, it will be found that history has repeated the old tale with some variations. But those few took large risks, backed their opinions with their money and they represent the survivors of a whole host who were trying to do the same thing.

Several times since 1929 there have been popular movements because the public thought that the bottom had been reached and that "stocks could not go lower." The buying in each case caused a temporary rise and then stocks proved they could go lower than old lows by going lower. The latest and most consistent buying movement on the part of the public had in its initial stages more to recommend it than had the preceding ones, but investors quickly lost grip with fundamental realities and later rises were all too evidently the result of psychological characteristics such as produced the 1928-1929 boom and its crash. There was, in other words, a pathetic willingness to believe in the financial fairy tales, so current in brokerage board rooms, to ignore as irrelevant information as to immediate earnings and prospects and to listen eagerly to reports widely disseminated as to what pools and big operators were going to do with certain stocks on the stock market.

The change from prohibition to free sale and manufacture of alcoholic liquors, which appears to be swiftly under way in the United States, made the proper valuation of Canadian liquor stocks anybody's guess. It is a social movement of tremendous significance and with business results which cannot yet be measured. The point is that the market has tried to measure them and to measure them in the most optimistic spirit. That is only cited as an instance and probably one of the most favorable instances of market psychology.

Optimistic in February

The warning issued by The Financial Post in July was simply because it realized that a stock rise based on such insubstantial foundations had not the element of permanence. The Financial Post last February was inclined to be somewhat optimistic about the situation. Wherever it went it found inventories of industries quite low except in a few cases and buyers were adhering strictly to hand-to-mouth buying policies. Apparently a marked buying movement from the public would have wakened industry and commerce up to the situation. It would not have taken much to start feverish buying, for example, of building materials because the amount in stock ready for buyers had seldom been so low.

The visible world stocks of wheat in store were then getting lighter and wheat was beginning to betray some price strength in consequence. Whatever the outcome of the London Economic Conference it was at least a recognition by leading countries that the general world situation was made infinitely worse because of exchange fluctuations and uncertainties and excessively high tariff barriers. It was hoped that, whatever happened at that Conference, Canada might be able to make new contacts of enduring value.

Politics Enters

The relation of production to consumption has remained during this period comparatively favorable. The situation has become somewhat bedevilled by politics, however. What happened at London has been set forth in The Financial Post very comprehensively by a Staff Editor who personally interviewed many of the chief negotiators and financiers of the United States, England, France and Germany. Suffice it to say here, the United States domestic situation was developing an urgency which made it difficult for President Roosevelt to undertake international agreements of importance. Since then United States business has attained a volume far in excess of that shown in the early months of 1933. Many admirers of President Roosevelt in Canada take the success of his programme for granted. There are a growing number of important Americans who fear that, as you state it, "the means so far taken in the United States to improve matters may end in greater disaster than ever."

The most that can be said now is that the end is not in sight; nor do we know what further means will be taken to stimulate business, to restrict production, to raise prices, to limit working hours and to inflate credit or currency. So far business has responded because the expectation of inflation made many people buy raw and finished goods to get in ahead of the expected increase in prices. Buying by the public has not kept pace in spite of more people being employed, wages being raised by some industries and the growing confidence by a large section of industry and business. Consumer buying must catch up if the pace is to be maintained, higher wages kept up and the administration programme successful.

The Financial Post is not predicting disaster; far from it. The interesting experiment in the United States will depend on measures not yet taken as well as on those which have been taken. The Administration is committed to obtaining success; it will not leave one stone unturned. But when so many people in the United States express uncertainty it is hardly wise for Canadians to bank on success far in advance of achievement. Success in high measure is possible but it is too soon to say it is probable.

For and Against Inflation

Right in Washington, for instance, among the advisers of the president there is a difference of opinion. Anti-inflationists think measures already taken are sufficient and that the President should keep his hands off the currency. A strong inflationist group think inflation of currency and credit must be done to get prices where they should be. If they are right and if other nations follow, you would in such a period be well advised to retain such stocks of the best-financed leading companies as you can get hold of. Inflation would make money, bonds, debts worth less, and materials, equity stocks worth more.

Answering your questions, first, we do consider the July crash to have resulted inevitably from wild speculation based on a hectic and all too sudden optimism.

Second, it was also the result of liquidation by people who thought the same thing and wanted to take profits, as well as of short sales by bear operators who wanted to take advantage of the public error.

Third, ultimate triumph or disaster as a result of measures being taken in the United States cannot be predicted when the head executive of the nation himself cannot say as to all the measures that will be taken.

Past Experience Not Good

Certainly every measure hitherto taken by governments to control production and raise or maintain prices of sugar, rubber, wheat, cotton and coffee, have been successful for a time and have resulted in the end in disaster far more far-reaching than if governments had kept out altogether. Will the attempts be more successful when extended to all industries and business under the National Recovery Act? In any event the present programmes entail a measure of government participation and interference in business far beyond anything yet known in the world outside of Russia.

Undoubtedly huge public works programmes will stimulate business for a time if the taxpayer can stand it long enough.

There is this to be said: that the President has secured the support of three of the five great industries of the United States—steel, coal, oil, lumber and motor car industries—and that all five will probably accept the codes prepared for them.

Recovery Can Be Prevented

Advice on business policy and on buying of stocks has to be buttressed with ifs these days. The same forces which brought recovery from major depressions of the past are operating today but they are hampered, hidden and diverted by social and political movements which have as object the ending of one epoch and the commencement of another. Politicians show too great a disposition to bend before the storm by advocating political nostrums and "dope" policies to stimulate trade and industry. It is possible for them to spoil the possibility for recovery really here.

There is reason for hope and courage. Canada's position is advantageous if her people have patience and do not proceed to extreme measures. Then, whether the world inflates or not, her economic sails can be trimmed to the breeze. Holding stocks of companies which are well-managed, which are leaders in their line and which have strong financial positions is in any event a measure which has good chances of success if the stocks are bought at reasonable levels and prospects in the industries themselves justify the purchase. The flame of prosperity may be blown out by too strong a breeze, but it is possible that it may be fanned to a greater blaze than now obtains.

Watch Wheat Levels

Possibly the event of greatest significance to Canada will be when wheat prices become sufficiently stable at profitable levels as to make it certain that farmers in Canada will eventually have their purchasing power restored. That would send an invigorating current throughout all the veins of Canada's economic structure. Higher prices for base metals, lumber, newsprint would undoubtedly help. You might watch the changing situations and prices of these commodities for your further guidance.

Enquiries

C. C. F. and Stocks

Will you be good enough to answer the following: In view of the possibility of this Communist Farm-Labor party coming into power—what will happen to our life insurance policies paid into for years? A full treatise by you will be much appreciated. Secondly what about other investments—bank, railroad, mining and other Canadian utility stocks? Thirdly, would it be better to sell all these and invest in American securities?

Suppose the C. C. F. party does get into power.

Suppose that they have a sufficient majority to enable them to put into effect their whole platform and suppose, in addition, that having the power they will go the whole distance and try to make Canada a socialist commonwealth. They will then be faced by several constitutional difficulties: first, they will have to re-write the British North America Act and get sanction of all the provinces; second, they will not be able to put into effect their programme unless they also have the support of the nine provincial governments, because the area of legislation and administration is divided between federal and provincial governments. Supposing all these obstacles were surmounted and from Atlantic to Pacific Canada had socialist governments at Ottawa and in every province, would this mean the confiscation of all values behind bank, railroad, mining and other Canadian utility stocks and of the wealth with which insurance companies expect to be able to pay amounts due on life insurance policies? That is too far in the future and we cannot say. It did not happen in Germany when they had a socialist government, it did not happen in Australia when they had labor and socialist governments or when these held the bonds of power; it did happen in Russia which was not a highly developed industrial, financial and commercial state.

It is much better for a while to consider another and more likely supposition. Suppose that the capitalistic system now obtaining shows itself sufficiently capable of adjustment to provide in the end the essential security which laborers and farmers and others desire. Supposing, secondly, that returning prosperity clears away the chief ammunition of radical politicians, and supposing, thirdly, that the good sense of the Canadian people shows them in the end that it is well not to throw away the experience and accomplishments of the past and that the problems of the day can best be solved by constructive rather than iconoclastic action. Supposing these three things, the future may be brighter for your life insurance policies and your investment than the past.

You ask if it would be better to sell all these and invest in American securities. Who can see the end of the immense experiment now being made in the United States? Who can be sure that Canada, having the American experiment and its results to guide them, cannot move more surely to a better goal, taking what is good from the United States programme and rejecting what proves unsound. Canadians would do better to stay by Canadian securities and Canadian insurance companies.

A leading broker in Toronto, who was suggesting to a client a certain stock, had the same argument presented to him by the client as that in your letter. He answered, "In such a case would your cash be any better than your security? It would not make any difference in such a case whether you had invested or whether you had not invested. But supposing that none of those imagined evils come to pass — or imagined blessings, whatever you like to call them — then you would regret not having taken the proper measures for savings and an investment plan. You know what system we have got now. Act under it. If it keeps on it is all to the good for you. If it should end, you are no worse off from having exercised ordinary business and investment common sense in the meantime."

Canners' 2nd Preferred

Would you advise me to hold or sell Canadian Canners 2nd pref.? Might say I am a widow with two children and safety of principal is first consideration.

Canadian Canners' position has improved somewhat during the summer but there will have to be greater improvement still before the second preferred will be in a position to have much advance in dividend. The company is well equipped to take advantage of better business when it comes. Increase in commodity prices and smaller crops of vegetables in some lines are helping the price situation. As safety for you is first consideration, you should keep to gilt-edge bonds.

Consolidated Paper

As a subscriber to your paper, we would appreciate you giving us whatever information you may have regarding the present operations of Consolidated Paper Corp.

Consolidated Paper Corp.'s operations for the first five months of this year were on a basis of better than 30 per cent of rated capacity. Since that time there has been an improvement, mill operations of late approximating as high as 40 per cent. The Laurentide mill is currently operating at around 63 to 65 per cent of capacity. Port Alfred and Wayagamack are also turning out newsprint, while St. Maurice and Belgo are idle. It is announced that the Belgo mill will probably reopen on Oct. 1.

There is a better feeling existing in the newsprint industry. Consumption of paper has increased and the outlook for the balance of the year is rather favorable.

From the point of view of earnings, the company is a long way from covering interest charges on its bank loans and bonds. The latter charge, of course, does not become due until 1936 unless income warrants, so that the company's principal concern at present is in paying interest and reducing the principal on its bank loans.

Distillers Corp.-Seagrams

I have a small lot of Distillers Seagrams which I have held since the amalgamation. Today's price looks attractive to me and will let me out about even. Is there any prospect of their resuming dividends in the near future?

When stock of Distillers Corp.-Seagrams Ltd. reached 51½ and stock of Hiram Walker-Gooderham and Worts reached 66 during July it was the result of a speculative boom in distillery and brewery stocks that carried market values of the securities well above actual values. Since then there has been a decided setback in market values, but there still remains considerable speculative interest in the distillery stocks. While Distillers Corp.-Seagrams will benefit by repeal of the 18th Amendment in the United States, this benefit may only be profitable until the industry in the United States some five or six years hence has built up sufficient inventory to look after domestic demands. Present market prices are based on high expectations from this demand. As you live in South America, it would appear to be reasonable for you to sell the stock during some period of high public hope.

Brazilian, Cockshutt

Please give me your opinion of the following and tell me which would be the most likely to advance soon: Brazilian Traction, Cockshutt Plow and Massey-Harris.

It is difficult, if not impossible, to state which of the stocks listed in your enquiry will be the first to resume an upward trend and such a forecast is not within the scope of The Financial Post investment enquiry service.

Resumption of an upward trend will depend upon the general movement of the whole market in combination with specific factors affecting each stock. The stock of Brazilian Traction, for example, can be expected to react promptly to any strengthening of the position of the milreis. This company has shown a good earnings position throughout the past two or three years and has been building up a strong liquid position in Brazil. The difficulty of shipping funds out of that country has handicapped Brazilian Traction in the paying of dividends. An early clearing up of the exchange situation is hardly to be expected, since Brazil has large stocks of coffee and is largely dependent upon this commodity for her exports. Some encouraging first steps have been made but much ground has to be travelled yet.

Both Cockshutt Plow and Massey-Harris have benefitted materially from improved prices for wheat and this improved position has been largely discounted by appreciation in stock prices. Given a return of normal purchasing power in Western Canada both companies should benefit and Massey-Harris in particular will benefit through collection of outstanding accounts. Cockshutt Plow has only one class of security outstanding, while Massey-Harris has bonds and preferred stock ranking ahead of the common stock.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Scotia-Manitoba Mines

Can shares of Scotia - Manitoba Mines be considered as having any value?

Shares in Scotia-Manitoba Mines have no marketable value. The company owns a copper prospect adjacent to Sherritt-Gordon, but has not been active since 1929. The general chaotic state of the copper market and the low price for the metal has deferred interest in all copper prospects and indications are that the small properties of questionable merit will not soon regain the prestige that they once had.

Sterling Great Bear Synd.

What are the possibilities for a small commitment in units of Sterling Great Bear Synd.?

Sterling Great Bear Syndicate is just one of the dozens of syndicates that were formed for prospecting in the Great Bear Lake area. Its holdings are raw, undeveloped claims, the potentialities of which are unknown.

Lake Shore Mines

Do you regard Lake Shore Mines a safe investment? Is production likely to be increased?

Lake Shore is the largest gold producer in Canada and in so far as it is possible to appraise ore potentialities it ranks among the soundest of the dividend-paying gold mines. At current prices it is discounting earnings based on an abnormal price for gold. There is no indication that mill expansion to any extent will be undertaken or that there will be any appreciable increase in gold production. The company enjoys excellent management, and has a substantial back-log of liquid reserves. Like all Canadian gold mines it is presently making greatly increased profits, owing to unprecedented prices for gold.

Continental Mines

Can any value be attached to shares in Continental Mines?

Continental Mines were succeeded by Continental Kirkland Mines, but shares in neither company have any marketable value. Interest in the property waned after an extensive, well directed development programme failed to show it as having commercial importance.

Paymaster Consolidated

Do you consider Paymaster Consolidated Mines as having possibilities?

Paymaster Consolidated Mines doubtless has never had its possibilities exhausted and its location adjoining Dome Mines, together with the present high price for gold, adds interest. A review of its long history shows it has been one of disaster for shareholders with one reorganization following another. Until there is evidence that the company has sufficient funds in its treasury to carry out a conclusive programme, the hazard that has prevailed in the past still exists.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Pure-Bred Dogs Racket

SOME racketeers with an eye for pure-bred dogs are picking them up and marketing them. In some quarters this has become a profitable racket.

* * *

Beggars Limit Competition

BOSTON beggars, after a meeting on the historic Boston common, have "resoluted" that out-of-town beggars must not stay more than a week. They have not issued "blue eagles" yet, however, to home talent.

* * *

Gasoline Station Racket

THE Gazette (Montreal) relates that an alderman was recently offered $2,000 to "put over" at the City Hall the granting of a permit for a gasoline station on an advantageous corner in a residential district. The article further states that at the Montreal City Hall it is believed that a racket is at the bottom of the surge of filling stations for which permits have been asked in the last few years.

In the main, the ward alderman is stated to have been mainly responsible for gasoline stations already in existence. His signature was the one essential to securing the permit. It was noted that as the depression gained strength, as the number of car owners shrank, as consumption of gasoline fell and as the real estate market grew more and more anaemic, the gas station permit business became more popular and more flourishing.

It is claimed at the City Hall that there are now 900 gasoline stations to take care of 63,000 motor vehicles and that they could take care of a Montreal with from 100,000 to 200,000 more people than the city now has. One suggestion being made is that there should be a special and independent commission to make sure that no more gas station permits are granted for the next two to five years, and second, to take steps to redistribute existing stations.

"Another commission! Perhaps another racket!" exclaim some in answer to this.

* * *

Sapiro Charged as Racketeer

A COOK County grand jury in Chicago recently made a blanket indictment charging Aaron Sapiro, who took a prominent part in forming the Western Canadian Wheat Pool, with being a trade racketeer. There were about 20 others mentioned in the blanket indictment but the most interesting to Canadians are Aaron Sapiro, who resigned in June as the $25,000 per year attorney to Chicago Laundry Owners' Association; Oscar S. Nelson, alderman and vice-president of the Chicago Federation of Labor and attorney for the Laundry and Dye House Drivers' Union; Dr. Benjamin Mark Squires, graduate of the University of Wisconsin, Ph.D., lecturer on economics and labor problems at the University of Chicago and conciliator for the U. S. Department of Labor and Morris Kaplan, lawyer.

Sapiro, who described himself as a co-operative organizer, has organized farmers, milk dealers, taxi drivers and motion picture exhibitors on a large scale. He states that everything he did was open, legal and above board. He said:

"We arranged for price fixing and we tied up with a labor union. I personally hold with labor."

Nelson's word is stated to be law in union circles in Chicago.

States Attorney Courtney is conducting a strong campaign against the Chicago racket system and is helped by Edwin J. Raber, prosecutor. The 24 defendants were charged with criminal conspiracy to stifle trade by means of extortion and with malicious objects.

Mr. Raber declared with reference to defendants, Squires, Sapiro and Nelson:

"They provided the set-up for the conspiracy. They helped organize the groups responsible for intimidation and strikes. Sapiro would put the price of cleaning a suit up to $1.75, Al Capone took a cut and the public paid the bill."

* * *

Professor Versus President

DR. SQUIRES in 1931 founded the Chicago Master Cleaners and Dyers Institute to clean up the industry and stabilize prices. His salary was to be $25,000 yearly. Morris Kaplan, also indicted, helped him. A year ago Dr. Squires quit the institute which then collapsed. He said:

"The indictment against me is a charge of conspiracy to fix prices which I admit doing. If I am wrong in this, however, so is the President of the United States."

* * *

Backus Caught in "Corner"

EDWARD WELLINGTON BACKUS, of Backus Brooks Co., well known in Canada for his power, timber and newsprint operations, has taken action in United States District Court against President Franklin Swift, of Swift and Company, Allen S. Moore and Herbert J. Blum. He charges that in 1928 they sold short 950,000 bushels of July corn, that they and others were long many millions of bushels of corn and engineered a corner in violation of the Sherman Law, forcing up prices and causing him a loss of $300,000. Under the Anti-Trust Law, a victim might collect damages equal to three times his losses. Multiplying by three and adding $100,000 for legal expenses, Mr. Backus sues for $1,000,000.

* * *

Alleges Montreal Paving Ring

THE Montreal City Council the other day suspended operation of the principle of giving contracts to the lowest tenderer, and in a case before the Council awarded the work to the next lowest bidders. This was because aldermen for wards affected objected to work going to H. J. O'Connell Ltd., a firm which fought the city in court and earned the right to tender for asphalt work.

H. J. O'Connell, who has alleged that Montreal is in the hands of a paving ring, was low man on practically all of the paving in the 1933 programme and is conducting a campaign which has won city-wide attention.

Alderman J. H. Brien had claimed that affected proprietors had objected to contracts going to O'Connell. However, on August 15 injunction proceedings, it was stated, were to be launched by a number of proprietors to stop the city signing contracts for paving of certain streets as a result of the City Council action in rejecting the lowest tenderer. Their claim is that taxpayers of the city have the right to secure that work for which they pay shall be done at the lowest price.

* * *

Making False Job Promises

SIMCOE town council has asked the provincial authorities to investigate the labor racket by which truck drivers transport foreigners to Simcoe at so much per head, promising employment on their arrival. Alderman Austin declared that hundreds of men are at large in the county without food or shelter, many of them unable to speak English. The province is asked to return the men to their homes.

* * *

Hundreds of Rackets Uncovered

SINCE 1926 474 business rackets have been uncovered in Chicago, going all the way from boot blacks, milk dealers and candy jobbers to garage men, glaziers and electricians. Between 1923 and 1929 259 indictments were returned and 27 convictions were obtained.

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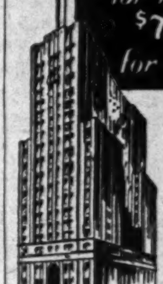

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LIVING COSTS JUMP AS RETAIL FOODS MAKE WIDE GAINS

Dominion-wide Increase in Foodstuff Prices Reported

Living costs are rising.

For the first time in many months, the cost of living calculation of the Dominion Department of Labor, at July 1, received exclusively by The Financial Post, shows an upward tendency for almost every city of the Dominion.

Some slight increases had been recorded in the past two months, due to the influence of higher food prices in certain sections, but generally speaking, the trend was downward owing largely to reduction in rentals. This downward trend in rents has been halted at July 1 and generally higher food prices have increased living costs in almost every city.

Dominion Average $15.48

Based on the average weekly budget for food, fuel and rent for a workingman with a family of five, the average cost for the whole Dominion at July 1 was $15.48 as compared with $15.41 at the beginning of the previous month. Rental costs at July 1 remained at the June 1 figure of $5.67, fuel costs were slightly lower, but food costs were increased from $6.84 to $6.95.

Complete statistics of food, fuel and rent are available for nine representative cities and show that increases have occurred in every case, eastern cities showing the largest increases.

Family Budget Costs at July 1
(In 8 Representative Cities)

	Food $	Fuel $	Rent $	Total $	June 1 $
Vancouver	7.39	2.10	5.00	14.49	14.48
Montreal	6.94	2.61	6.00	15.55	15.32
London	6.77	2.61	6.25	15.63	15.47
Windsor	7.12	2.40	6.25	15.77	15.54
Hamilton	7.36	2.19	6.25	15.80	15.57
Toronto	7.35	2.36	6.25	15.96	15.80
Ottawa	7.04	3.06	6.25	16.35	16.25
Winnipeg	6.93	3.09	6.75	16.77	16.74
Dominion	6.95	2.83	5.67	15.48	15.41

Food Prices Higher

Food and rent figures are also available for all the leading cities of the Dominion. Almost without exception, food costs are higher, a few points in northwestern Ontario and the Prairie Provinces alone reporting reductions. Complete list of cities for which calculations are available are as follows:

Food and Rent Costs In Canadian Cities

	Food July 1	Food June 1	Chge.	Rent*
Nova Scotia				
Sydney	7.26	7.20	+ 6	4.88
New Glasgow	7.07	6.92	+15	5.00
Amherst	6.78	6.76	+ 2	4.13
Halifax	7.45	7.49	— 4	7.50
P. E. I.				
Charlottetown	6.81	6.75	+ 6	5.88
New Brunswick				
Moncton	7.28	7.19	+ 9	6.50
St. John	7.25	7.08	+17	6.00
Fredericton	7.33	7.25	+ 8	6.25
Quebec				
Quebec	7.18	7.02	+16	6.25
Three Rivers	6.61	6.49	+12	5.13
Sherbrooke	6.39	6.38	+ 1	5.75
St. Hyacinthe	6.09	5.75	+34	4.75
St. John's	5.96	5.76	+20	5.38
Montreal	6.94	6.71	+23	6.00
Hull	6.56	6.51	+ 5	6.00
Ontario				
Ottawa	7.04	6.94	+10	6.25
Kingston	6.65	6.30	+35	5.13
Belleville	6.52	6.33	+19	5.50
Peterborough	6.67	6.48	+19	5.75
Oshawa	6.93	6.88	+ 5	4.00
Toronto	7.35	7.19	+16	6.25
Niagara Falls	7.11	6.88	+23	5.63
St. Catharines	7.04	6.79	+25	6.75
Hamilton	7.36	7.13	+23	6.25
Brantford	6.94	6.96	— 2	5.88
Galt	7.09	7.02	+ 7	5.63
Guelph	6.97	6.78	+19	6.00
Kitchener	6.71	6.62	+ 9	6.25
Woodstock	6.61	6.43	+18	6.00
Stratford	6.66	6.65	+ 1	6.25
London	6.77	6.49	+28	6.25
St. Thomas	7.11	6.89	+22	5.63
Chatham	6.58	6.44	+14	5.75
Windsor	7.12	6.78	+34	6.25
Sarnia	6.88	6.52	+36	6.00
Owen Sound	6.54	6.21	+33	5.50
North Bay	7.08	6.75	+33	...
Sudbury	6.94	6.87	+ 7	6.25
Cobalt	7.52	7.41	+11	5.50
Sault Ste. Marie	6.69	6.79	—10	4.63
Port Arthur	7.16	7.17	— 1	6.00
Fort William	7.21	7.35	—14	6.00
Manitoba				
Winnipeg	6.93	6.90	+ 3	6.75
Brandon	6.33	6.26	+ 7	5.63
Saskatchewan				
Regina	6.69	6.74	— 5	6.88
Prince Albert	6.52	6.63	—11	5.63
Saskatoon	6.58	6.50	+ 8	6.25
Moose Jaw	6.85	6.90	— 5	6.25
Alberta				
Medicine Hat	6.87	6.73	+14	5.63
Edmonton	6.64	6.70	— 6	6.50
Calgary	6.50	6.54	— 4	6.00
Lethbridge	6.53	6.58	— 5	5.50
British Columbia				
Fernie	7.51	7.32	+19	4.50
New Westminster	7.35	7.22	+13	4.88
Vancouver	7.39	7.38	+ 1	5.00
Victoria	7.73	7.78	— 5	5.63
Nanaimo	7.91	7.92	— 1	6.00
Dominion	6.95	6.84	+11	5.67

*Workingmen's six-roomed houses with modern conveniences.

Auto Output Indicates Loss in Registrations

Need Twice 1933 Peak Volume to Maintain National Inventory—Potential Demand 155,000 Cars Annually

Current recovery in automobile production has not yet approached within striking distance of the level necessary to maintain the national motor car inventory at its current reduced total to say nothing of making up for the deficiency in replacement requirements which has accumulated since the start of the depression period, according to an estimate made by The Financial Post. It would require approximately double the rate of production of the four months ended June in order to maintain registration at the level of 1932 by making up for cars which have to be junked.

At the end of 1932, the total passenger cars registered in Canada numbered 945,355, more than 110,000 less than the 1930 peak total. Since the beginning of the year a further reduction in cars registered has undoubtedly occurred, although accurate figures in this regard will not be available until the end of the year.

Average Age of Cars

By using the estimate of the National Automotive Chamber of Commerce of the United States that the average age of passenger cars is now 7 1/3 years and allowing for some further drop in total registrations, it is apparent that the average annual replacement requirements on the basis of present cars in use are somewhere in the neighborhood of 150,000. On the basis of production during March, April, May and June, maintenance of this rate would account for only 70,000 automobiles this year and of course, the actual total for the year will probably be below 50,000.

During May and June when production was at its peak level for this year the output was only at the rate of 80,000 cars per year or just over 53 per cent of annual requirements.

This calculated average replacement requirement makes no allowance for the fact that due to the sub-normal purchases of cars during the depression years an abnormally large percentage of cars now in use are rapidly nearing the age when they must be scrapped. During the four years ending next December, including a liberal estimate for sales over the balance of this year, the Canadian market will have absorbed approximately 310,000 new passenger cars. In other words, by the end of the current year, only about one-third of the total cars on the road will be less than four years old. The balance of about 620,000 cars will either have to be replaced within the next four years or the total number of cars in this country will undergo further substantial reductions.

Potential Demand

Replacement of these cars would require average annual purchases for the four-year period of about 155,000 cars or about 80 per cent of the record domestic sales of 1930 and approximately equal to average domestic passenger car sales during the four-year period ended with 1930.

Whether demand of this proportion will be seen within the next four years will be largely determined by the activity of industry as a whole. Continued large-scale ownership of automobiles requires adequate purchasing power among all classes of the population.

General Hornby's Plan

From The London Morning Post

Brigadier-General M. L. Hornby, the well-known authority on Canadian immigration, has arrived in England and is busily engaged in promulgating his scheme of settlement.

The principle of General Hornby's scheme is to establish in Canada a number of Foundation Community Farm Settlements, in which settlers from United Kingdom will get practical training, under supervision, in the actual working and management of a Canadian farm, and an opportunity to save something out of their labor which amplified by a British loan, will be sufficient to enable them to acquire farms of their own.

It is proposed that the existing approved Voluntary Migration Committees in the United Kingdom should each establish small communities of selected British families on areas of good "mixed farming" land, between 5,000 and 10,000 acres in extent.

Each Migration Committee, acting on the advice of an advisory committee nominated by the Canadian Government, would purchase areas of this size which would be hired to the settlers on a rental basis.

Each block of land would be controlled and sub-divided into farm holdings by a settlement manager or supervisor chosen from the district from which the settlers came. A block of 5,000 acres, for instance, might be sub-divided into 50 separate holdings of different size. It is emphasized that these blocks of land will be situated reasonably near to established market centres.

The settler families, who would be selected by the committees in this country, would live with the manager, whose duty it would be to look after their interests and direct and supervise their individual efforts. He, in turn, would be assisted by a field foreman and a staff with Canadian experience.

Until his first crop was reaped the settler would be provided with all necessities, after which he would be responsible for paying part of his hail insurance and some agreed proportion of his produce and farm returns as rental.

The committee, in addition to the purchase and equipment of the farms, would be responsible for the rates, taxes, fire insurance and their share of the hail insurance.

During the whole of the five-year period, at the end of which the settler would have acquired Canadian domicile, the committee would guarantee to return failures to the place from which they came without any expense to the Canadian Government.

As soon as the settler proved his ability he would, with his own savings, plus an equal amount lent by the British Government at a low rate of interest, acquire a farm of his own. In this he would be given every assistance by his settlement manager.

With regard to the financing of the scheme, it is proposed that the British Government should make loans at a low rate of interest to the Voluntary Migration Committees.

One of the main advantages of the scheme is that at no time during his first few years as a tenant in Canada would the settler be under any heavy responsibility. There would be no heavy debt for land, stock, and equipment overhanging him; and in the event of his crop failing in one year his only loss would be the profit which he might otherwise have made.

Under this scheme, too, the strong spirit of "local patriotism" which exists in both town and county throughout the United Kingdom would be brought into play—a spirit almost indispensable to new settlers overseas through the early and difficult years of their new life.

BUY yourself a salary now to be paid in your LATER YEARS

The Great-West Life Assurance Company
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I am interested in your proposition of "Buying a Salary Now, to be paid in my Later Years." Without obligation send particulars. Dept. 67-J
Name
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The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

Insurance for Buyer and Seller

INSURANCE SALES WELL MAINTAINED IN PAST MONTH

Total Only 12.2 Per Cent Below July, 1932, Figure

Thirty and a quarter million dollars of new paid-for ordinary life insurance was written in Canada and Newfoundland in July by fourteen companies having 83 per cent of the total insurance in force, as compared with $34,469,000 in July a year ago, a decrease of 12.2 per cent, according to figures compiled by the Life Insurance Sales Research Bureau, Hartford, Conn. While the July figure is slightly over $2,000,000 less than that of June, the showing compared with the corresponding month of 1932 is better, June sales being nearly 21 per cent less than those of June, 1932.

All Canadian provinces recorded declines when compared with July a year ago, Prince Edward Island making the poorest showing with a drop of over 50 per cent. British Columbia almost maintained the pace of July a year ago, but the other provinces were all off about 10 per cent.

Newfoundland Higher

Newfoundland improved slightly on the July, 1932, total with sales of $257,000 compared with $243,000 in that month.

Sales in the first seven months of the year totalled $208,373,000, as compared with $253,002,000 in the same period of 1932, a decrease of 17.6 per cent. The higher comparative level of July sales has improved this loss percentage from 18.5 in June.

July sales by provinces were as follows:

Alberta	$ 1,249,000	$1,535,000
British Columbia	1,968,000	2,001,000
Manitoba	1,908,000	2,186,000
New Brunswick	735,000	965,000
Nova Scotia	1,020,000	1,305,000
Ontario	12,961,000	14,587,000
Prince Edward Island	53,000	111,000
Quebec	8,709,000	9,924,000
Saskatchewan	1,395,000	1,602,000
New	257,000	243,000
	30,255,000	34,469,000

Fight Proposal To Bar Foreign Insurance Cos.

Representative O'Connor, of New York, has recommended to President Roosevelt and the heads of a number of departments at Washington that contracts entered into by the Government should specify that the other contracting party shall secure his insurance and surety bonds in American insurance companies. In his statement, Mr. O'Connor refers to the large sums paid, as premiums annually by Americans to Lloyds, London, and also to the vast sum which he understands has been paid as premiums to foreign companies during a term of years.

It seems unlikely, however, that his proposal will become law, as severe opposition would undoubtedly be forthcoming from the very companies which would benefit. It is felt that the world-wide interests of United States insurance companies would be threatened if such a law became effective in the United States.

Press comment is generally antagonistic.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000	26,323,000
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	29,763,000
April	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000	29,770,000
May	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000	30,497,000
June	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000	32,398,000
July	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000	30,255,000
August	43,503,000	41,329,000	36,249,000	35,738,000	28,370,000	....
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	....
October	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	....
Nov.	54,865,000	55,624,000	46,186,000	38,860,000	34,003,000	....
Dec.	56,647,000	54,189,000	49,026,000	47,163,000	33,483,000	....

Total, 1st 7 months, 1933 .... $208,373,000
Total, 1st 7 months, 1932 253,002,000

Decrease, 1933 to date, 17.6% .... $ 44,629,000
Decrease, July, 1933, from July, 1932, 12.2% 4,214,000

*By 14 companies having in force 83 per cent of total outstanding business in Canada. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Safeguard Control By Insurance Plan

Business Insurance Helps Companies to Prevent Controlling Interest Passing to One Partner

By R. M. HAULTAIN
London Life Insurance Co.

Third of a Series of Articles on "Business Insurance"

The original founders of the Bluegreen Manufacturing Co., Ltd., both lost out because they had no written agreement regulating the sale and purchase of the stock of a deceased shareholder.

The company, a close corporation, was started by a Mr. Green and a Mr. Blue, each with an equal stock interest. Neither of them is in it now.

Green was keen and Blue was generous.

Blue gave some of his stock to a nephew, whom he wished to bring along in the business. The nephew was killed in a motor accident a couple of years later. His wife needed money. Not realizing that she was handing control of the company to Green, she asked him as a favor to give her whatever he thought was fair for her husband's stock. Blue was away on his Western trip at the time, and Green bought the stock from her.

Verbal Agreement Void

Blue, on his return, was furious at Green. Blue had had a verbal agreement with his nephew that if at any time he wanted to sell the stock, he, Blue, would buy it back. Blue and Green fell out over this incident, and Green froze Blue out of the company.

As it was the only business Blue knew, he started again in opposition on the long slow pull. He could not find a buyer for his stock in the Bluegreen Manufacturing Co.

The members of the trade to whom they both sold were sympathetic toward Blue, and did what they could to help him to get re-established. Many of them refused to have any dealings with the Bluegreen Co. as long as Green was in it. The Bluegreen did not survive long under those conditions, and financial difficulties resulted in a reorganization. Both Green and Blue were glad to get anything offered for their respective interests.

All this would not have happened if Blue and his nephew had drawn a written agreement to the effect that if the nephew died, his executors were to sell the stock back to Blue and that Blue was to pay cash for it, according to its worth at the time. An insurance policy on the nephew's life would have been advisable to finance the agreement.

Agreement Needed

A situation involving the same principles faced the four shareholders and active officers of the reorganized Bluegreen Manufacturing Co., Ltd., Mr. Black, Mr. Brown, Mr. White and Mr. Gray. They had never had a round table, frank discussion on just what would happen if one died, consequently, no mutual thought had been crystallized into action calculated to be in the best interests of the business.

The last audit showed a net worth of $80,000. There were 200 shares of stock outstanding. Each share was worth $400. The stock was owned as follows:

Mr. Black, 80 shares, or 40 per cent. Present value, $32,000.

Mr. Brown, 70 shares, or 35 per cent. Present value, $28,000.

Mr. White, 40 shares, or 20 per cent. Present value, $16,000.

Mr. Gray, 10 shares, or 5 per cent. Present value, $4,000.

Mr. Black is President and General Manager; Mr. Brown is Vice-President and Secretary-Treasurer; Mr. White is a Director and Sales Manager; Mr. Gray is a Director and Factory Manager.

Mr. Stevens, life insurance underwriter, obtained this information, and thought the situation through from the angles from which he views a business. He decided to get these four men together for a discussion on the future of the company, and to get them to accept certain principles that he had in mind.

Quote Past History

It was quite apparent that the Bluegreen Mfg. Co. had got into difficulties when Blue and Green owned it for lack of an insurance agreement controlling the sale and purchase of stock, and Stevens saw in this a strong argument for the new owners to guard against indiscriminate buying and selling, especially when a death occurred. He saw that he had an ace in the hole, to produce if necessary, in the previous history of the company.

The family picture of each man was an important factor in planning his proposal, and Stevens found it to be as follows:

Mr. Black was 54, a daughter 21, a son 19 and a daughter 16.

Mr. Brown was 52, a son 23 and a son 21.

Mr. White was 47, a daughter 14 and a daughter 12.

Mr. Gray was 37, a daughter 4 and a son 2.

The wives of all four were living.

Family Complications

Mr. Black's son is at the university, and does not know yet whether he wants to go into the business or not. Mr. Black wants him to size things up for himself. Mr. Black has instructed his executors and trustees to retain his business interest at their discretion, his son's share in his estate to be released to him at a certain age, and all his stock to be voted by his son if he goes into the business. Otherwise, it is to be voted by his executors and trustees.

Mr. Brown's elder son is in the factory now, and his younger son is going through for medicine. Mr. Brown does not want his interest sold at death on account of his older boy, and has the same arrangement in his will as Mr. Black.

Mr. White, whose children are daughters, prefers to make sure that his wife's income after his death is not subject to the hazards of manufacturing. He would like to have an agreement with the others to buy his interest for cash when he dies, with no ifs or buts about it, but not during his lifetime.

Mr. Gray, on account of the youth of his children, wants his stock sold for cash if he dies. He also wants to acquire a larger interest in the business.

Balance of Power

Stevens developed his thought round the fact that White's 20 per cent interest, be he alive or dead, is the balance-of-power plum. It reminded him of the situation in the Canadian House of Parliament in 1926 when the Progressives held the balance of power, and had to be wooed assiduously by the two major parties.

When White dies, both Black and Brown (or their sons) will probably bid for his interest, thus ensuring control of the company to the successful bidder. The day is almost sure to come when that interest will cause a fight for control between the Black interest and the Brown interests. And it may come soon. The present Messrs. Black and Brown are mature, tolerant men, who understand each other, but their sons may be more impetuous.

The fight, when White dies or sells, may be between Mr. Black's and Brown's sons, or between Mr. Brown and Black's son, or between the two sons. Just who will do the fighting does not affect the preventive plan that Stevens had in mind, but a fight at the expense of the business is the probable outcome unless they adopt some preventive plan.

Tricky Situation

The situation appeared to be packed with dynamite, with White's life as the fuse.

The solution that Stevens worked out consisted of a written agreement, stating that on White's death the survivors would buy his interest, at its then full value, for cash; the stock to be divided equally between them, i.e., thirteen shares each. The stock position would then be as follows:

Mr. Black, 93 shares, or 46½%.
Mr. Brown, 83 shares, or 41½%.
Mr. Gray, 23 shares, or 11½%.

The odd one share would be reserved by the trustee under the agreement for the man who takes White's place on the directorate; the agreement to be revocable or subject to amendment at any time by mutual consent.

Stevens hoped that all four men would see the effect of his proposal without the necessity of bringing up the fight-for-control angle.

Agreement Financing

The agreement would have to be financed in some way. As Stevens had studied different methods, he knew that the most practical financing was by three interlocking policies of life insurance on White's life, each policy being for $5,333, totalling the present value of his interest. The policies to be made payable to Black, Brown and Gray respectively, and assigned to the corporate trustee under the agreement, the proceeds to be paid to White's estate in exchange for his stock; each man to be charged with the premium deposits on the policy of which he was the beneficiary.

As Gray wants to acquire more stock, also to sell his interest at death, Stevens proposed that Gray's interest be treated in exactly the same manner as White's, three policies of $1,333 each being issued on Gray's life.

As the stock interests increased in value, the insurance should be increased accordingly.

To conform with the wishes of Mr. Black and Mr. Brown that their stock holdings should be left intact to be dealt with under their wills, no mention of these two stock interests was made in the agreement.

This arrangement was accepted by all as being fair and in the best interests of the business. Gray at first wanted to be in on the agreement, and to be left out of the insurance because his income was less than those of the other three. It was realized, however, that the agreement would be practically useless without the interlocking insurance policies, and that the objects could not be accomplished if Gray were not included. This difficulty was overcome by a decision to vote Gray a special bonus each year to enable him to handle the premium deposit.

Agreement Summarized

As soon as the policies were issued the agreement was put into legal form by the firm's lawyer. The following is a summary of the agreement which Stevens planned:

1. Description of insurance policies, purpose of policies, number of shares to be transferred to whom and by whom.
2. Responsibility for premium payments.
3. Appointment of corporate trustee, and trustee's consent to act.
4. Method of valuation.
5. Valuation of goodwill.
6. Method of payment of balance, if any, not covered by insurance monies.
7. Disposition of policies affected in event of shareholder withdrawing.
8. Disposition of policies in event of company winding up.
9. Agreement to be amended or voided by mutual consent.
10. Cash and loan values available by mutual consent.
11. Commitment of shareholders to buy and executors to sell as defined.

Basis of Sale

The fact that the plan provides a quick cash market at death for the shares of the two men who wish to sell was made the keynote of the discussion. It was not necessary to open up the ticklish question of control, but is it not obvious that a situation that has damaged the morale of many business organizations in the past has been regulated to the satisfaction of all concerned?

Economic Wisdom Down the Ages

And How History Repeats Itself

ENGLAND HAS A STOCK BOOM, 1720

"Persons of distinction, of both sexes, were deeply engaged in all these bubbles; those of the male sex going to taverns and coffee-houses to meet their brokers, and the ladies resorting for the same purpose to the shops of milliners and haberdashers. But it did not follow that all these people believed in the feasibility of the schemes to which they subscribed; it was enough for their purpose that their shares would, by stock-jobbing arts, be soon raised to a premium, when they got rid of them with all expedition to the really credulous. So great was the confusion of the crowd in the alley, that shares in the same bubble were known to have been sold at the same instance ten per cent higher at one end of the alley than at the other. Sensible men beheld the extraordinary infatuation of the people with sorrow and alarm. There were some both in and out of parliament who foresaw clearly the ruin that was impending."

—From "Extraordinary Popular Delusions." By Dr. Charles Mackay.

* * * *

LO, THE POOR FARMER

"The agricultural population of this country will in 50 years be poor and illiterate, made up of hired laborers on great estates, of tenants and of proprietors of small patches of ground which they will cultivate with the spade and of whose produce they will eat only what cannot be sold."

—Fred Perry Powers in Lippincott's Magazine for February, 1895.

* * * *

AN ONTARIO MUNICIPALITY OVERSPENDS, 1801

"The court taking into consideration the funds of the district, and the incompetency of the assessments, to liquidate the accounts against it, unanimously recommend the strictest economy in the expenditure of the public money: and that if possible, the claims, henceforward, be not permitted to exceed the means of acquitting them."

Minutes of the special Sessions of the Peace at York, Aug. 6, 1801, called to deal with the finances of Vaughan, Markham, King and Whitchurch townships.

* * * *

Licenses Issued

Home Fire and Marine Insurance Co. of California has been issued a certificate of registry authorizing it to transact, in Canada, the business of fire insurance, automobile insurance, excluding insurance against loss by reason of bodily injury to the person, explosion insurance, sprinkler leakage insurance and tornado insurance.

THOSE WHO TRAVEL...
or hope to...

The SUN LIFE ASSURANCE COMPANY OF CANADA is a world-wide organization. Its agencies encircle the globe. Active branches are maintained on five continents, in forty countries and in forty states of the United States of America.

Policies in force number more than a million.

Insurances in force approximate Three Billions of Dollars.

The international character of the Company provides unique facilities for the service of its clients, in whatever part of the world they may reside. When travelling, policyholders are invited to avail themselves of these services, which are almost consular in character.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Insurance Inklings

C. J. MALCOLM has been appointed special agent of the Ætna Insurance Co. for Ontario and Quebec to succeed R. H. Leckey, resigned. Mr. Malcolm will also supervise the World Fire and Marine Insurance Co., an Ætna Fire subsidiary, in the Province of Quebec, and will be the Ætna's official representative in the Canadian Fire Underwriters' Association.

GORDON F. PERRY has been elected to the Canadian board of the Phoenix Assurance Co. of London, Eng.

Hardware Underwriters Report Increases in Surplus

Good increases in surplus account are shown by the Canadian Hardware and Implement Underwriters, Winnipeg, in a bulletin recently issued to salesmen. Surplus accounts of the three component companies are increased a total of $277,000 while, in addition, contingent reserves have been increased $346,000.

Retail Hardware Mutual Fire shows an increase in surplus at June 30 compared with December 31, 1932, of $98,993 and an increase in contingent reserve of $100,000. Hardware Dealers' Mutual Fire shows increases of $87,103 and $90,768 in surplus and contingent reserve respectively and Minnesota Implement Mutual Fire reports increases of $91,149 and $155,000.

F. H. Moser Named Manager of Waterloo Mutual Fire Co.

F. H. Moser, secretary of the Waterloo Mutual Fire Insurance Co. has been appointed manager of the company, succeeding Arthur Foster, who died recently, the board of directors of the company has announced. Mr. Moser will continue as secretary of the company in addition to assuming his new duties.

Mr. Moser entered the office of the company in 1904 and since that time has had a wide practical experience which has fitted him for his new position. In 1924 he became assistant secretary and last year was appointed secretary.

Ford S. Kumpf, managing director of the Dominion Life Assurance Co., has been named to succeed Mr. Foster on the executive committee. Appointment of a director to fill the place left vacant by the death of Mr. Foster will be deferred until the annual meeting in January.

Exploit Nickel Ores

Reserves of low grade nickel ore near Hope, B.C. are to be exploited by a Canadian and United States Syndicate, it is stated at the British Columbia Mines Department. Work will start at once with construction of a private road up Texas Creek at an estimated cost of $25,000, after which thorough testing of the property owned by British Columbia Nickel Mines, will be carried out.

FEWER FAILURES LIABILITIES DOWN

May Record Compares Favorably With Last Year

As compared with May, 1932, a decrease in the number of assignments under the Bankruptcy and Winding-Up Act, as reported to the Dominion Bureau of Statistics, was experienced in May, 1933. Liabilities of the assignors also showed a decrease.

Commercial failures numbered 175, as compared with 204 in the same month of the previous year and 192 in April, 1933. The liabilities of the assignors amounting to $2,616,800 as compared with $3,380,672 in April, 1933, showed a decrease. When compared with May, 1932, a considerable decrease is again noted, the total in that month being $3,148,067.

Trading establishments furnished the largest number of failures, 87 assigning in May as compared with 100 in the previous month and 94 in May, 1932. Manufacturing establishments to the number of 35 assigned in May, 1933, as against 37 in April and 47 in May a year ago. The 35 included five engaged in the manufacture of vegetable foods, 3 in animal foods, five in fur and leather goods, seven in lumber and its manufactured products and two in non-ferrous metals.

British Stock Year Books Merge Into One Volume

Amalgamation of "The Stock Exchange Official Intelligence" and "The Stock Exchange Year Book," of London, has been completed.

The combined book, to be issued under the sanction of the committee of the London Stock Exchange, will be called "The Stock Exchange Official Year Book." A holding company is to be registered, 51 per cent of the capital to be held by the trustees of The Stock Exchange and 49 per cent by Thomas Skinner & Co.

The editor will be the Secretary of the Share and Loan Department of the Stock Exchange. Certain members of Thomas Skinner & Co. will join the staff of the new book. Thomas Skinner & Co. will be the sole publishers. The format of the new book will be that of "The Stock Exchange Year Book" but the editorial contents will be those of "The Stock Exchange Official Intelligence," supplemented by additional details.

PROTECTION
THE ONTARIO EQUITABLE
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PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

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Head Office Toronto, Canada
ESTABLISHED 1881
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Bank Chat on Current Topics

Public Ignorance Amazing

THE open season for bankers and banking practices is now on and western sharpshooters, who have been practising for a long time, are making the most of their opportunities. Later, eastern Nimrods will have their chance. There can be at least one foregone conclusion as to the result of this concentrated fire and that is that there will be ample evidence to show that the principles of sound banking are not generally understood even by leaders in the community. The mass of evidence presented to the Macmillan Commission will be a rich source of material for the student who wishes to classify the fallacious beliefs prevalent throughout the country with regard to the banking system.

The banks as a whole have done little to correct erroneous ideas that the public may hold toward their business. There has been no educational campaign sponsored by the banks or their associations. Numerous bank officials have addressed service organizations on Canada's banking system and many of these addresses have been extremely well prepared and delivered. If there is any criticism of these addresses it is that they have universally commented upon the soundness of the system, which could be considered a self-evident fact, and then have told what the banks do without explaining the "whys and wherefors."

* * *

AMERICAN Bankers Association is sponsoring a study of "constructive customer relations" and in a preliminary release to its members expresses surprise that it found an amazing ignorance on the part of some business men regarding the business of banking. Out of 25 men of the type that a bank depends on for business, support and understanding only one could tell what a bank's uncollected funds are; only seven out of 25 could define "bank float." One definition of bank float was "a mythical something which is supposed to keep a bank from sinking but does not."

Even if it is not essential to good business relations that a customer know the definition of all the words in the banker's vocabulary, it is essential that the customer should have some grounding in the fundamentals of sound banking practice and not only should he know what these fundamentals are but he should know why they have become fundamentals. Lord Macmillan is singularly gifted in his ability to analyse and to simplify and the report of the Royal Commission which he heads should go far to create a better public understanding of our banking system. It is too much to expect that this report will be widely read by the man on the street but every banker and every business man dealing with the banks will find much of value in it.

* * *

Bandits Beware

RANGES in the Bank of Montreal in Owen Sound, Ont., will shortly resound to the revolver fire of members of the staffs of the four banks operating in that city. Formed for the purpose of teaching bankers how to shoot effectively the Owen Sound Revolver Club has been organized. Local police officers and officers of the Grey Regiment are also admitted to membership. On the whole it looks as if bank bandits might be subject to strenuous opposition.

Staff Changes

The **Canadian Bank of Commerce** announces the following staff changes:

W. J. NOBLETT to be accountant at College and Dovercourt branch, Toronto.

P. H. HAMON, assistant manager, to be manager at Portage and Garry branch, Winnipeg, in place of J. S. Turner who is retiring on pension.

The **Canadian Bank of Commerce** announces the following staff appointments: J. M. IRVINE, accountant at Kingston, Jamaica, to be an audit officer at head office, Toronto.

S. G. HILEY, manager at Hamiota, Man., to be assistant inspector attached to superintendent's department, Winnipeg.

E. K. PICKEN, accountant at Vulcan, Alta., to be in charge at Brant, Alta.

A. M. WATT, in charge at Brant, Alta., to be manager at Empress, Alta.

J. A. CAW, manager at Provost, Alta., to be manager at Fort William, Ont.

W. H. ACTON, manager at Empress, Alta., to be manager at Innisfree, Alta.

J. SHAW, accountant at London, Eng., to be assistant manager at Kingston, Jamaica.

G. L. CLARKE, assistant accountant at Kingston, Ja., to be accountant.

J. JAMES, assistant accountant at London, Eng., becomes accountant.

W. J. FLANNERY, assistant accountant at Montreal to be accountant.

C. JOHNSON, manager at Innisfree, Alta., to be manager at Provost, Alta.

S. TURK, accountant at Montreal to be manager of foreign exchange department, Toronto.

The **Bank of Montreal** announces the following appointments:

O. W. GRAYBIEL, accountant, Bay St., Toronto, to be manager at Williamsburg.

E. G. WORNELL, St. John's, Nfld., to be manager at St. George's, Nfld.

G. H. GREENING, assistant to the general managers at head office, Montreal, to be chief inspector, head office, Montreal.

W. S. BRAGG, head office, Montreal, to be an inspector, head office, Montreal.

Branch Changes

The **Canadian Bank of Commerce** announces: the sub-agency at Kingston, N.S., has been placed on an independent basis with W. A. CURRIE, accountant at Syndey, N.S., in charge.

The office at Elm Creek, Man., sub-agency to the Carman branch will be open until October 20 on Tuesday and Friday of each week instead of Friday only as at present.

Montreal Stock Exchange Elects Two New Members

From Our Own Correspondent

MONTREAL.—Henri Turgeon and Jeffrey M. Wood have been elected members of the Montreal Stock Exchange. Mr. Wood, who is associated with A. E. Ames and Co. was elected a member also of the Montreal Curb Market.

Current Events in Banking World

WEST STRESSES NEED OF CREDIT, CENTRAL BANK

Royal Commission on Banking Soon to be in East

VIEWS DIVERSE

Voluminous Briefs Submitted by Governments and Many Organizations

Progressing rapidly through Western Canada the Royal Commission on Banking and Currency headed by Lord Macmillan has completed hearings in British Columbia, Alberta and Saskatchewan. The views expressed by western witnesses representing all classes in the community show a wide diversity of ideas but the consensus appears to be that Canada should have a central bank and that more credit should be available to the western farmer.

Chief among these appearing before the commission in Saskatoon on August 22 was Professor W. W. Swanson, University of Saskatchewan, who, contrary to public opinion in the prairies did not feel that complete reconstruction of the economic order would lead to economy of markets. The calamity of drought combined with depressed prices had precipitated the present situation in the West. Increased circulation of money, stability of price levels at a higher point were essential. Restoration of the gold standard should help foreign trade. Dr. Swanson stated that "interest rates cannot be reduced merely by fiat of Government. The passing of special legislation which seems to impair the validity of contracts increased interest rates because it increased risks. Sanctity of contracts was basic. Dr. Swanson suggested simplification of the Dominion Notes Act so as to require general backing of 40 per cent in gold.

Farmers Would Socialize Credit

Professor William Allen, University of Saskatchewan, said the basic need of the farmer were increased prices for his products and reduction of his debt. Until these basic needs were obtained something should be done to permit the farmer to carry on. Banks, in many cases, were not carrying the farmer. He went in some detail into farming conditions in Saskatchewan.

The brief of the Saskatchewan branch of the United Farmers of Canada, stated that the time had come for "a socialized system of banking, currency, credit and insurance for the purpose of supplying credits for new productive equipment and to provide the necessary medium for exchange of goods and services."

Only by the establishment of such socialized credit facilities would it be possible to effect economic reconstruction and recovery. It must "be free from gold standard restrictions and the imposition of interest charges."

Opposed Central Bank

George Bickerton, vice-president of the Saskatchewan branch of the United Farmers of Canada was opposed to the establishment of a bankers' central bank of issue and rediscount. He claimed that "the present system will function in the interest of private shareholders only so long as there is a possibility of making profits. A central bankers' bank would and could only function in the same manner and for the same purpose."

Urging the need for a central bank in Canada and an equalization of interest rates together with greater bank credit, Alberta's representatives gave evidence before the Royal Commission on Banking and Currency in Calgary and Edmonton. The testimony presented represented the views of many classes from the government of the province and the municipalities down to small industrial and trade groups.

Alberta Case Stated

Hon. R. G. Reid, provincial treasurer, submitted the brief of the provincial government which proposed a central bank for Canada, investigation of interest rates charged by the banks in Western and Eastern Canada, extension of a greater volume of agricultural credits and the tying of the Canadian dollar to sterling. After dealing with the exchange and monetary problems in their relationship to the export business and reference to conditions brought about by the large carry-over of wheat, Mr. Reid said:

"The Government is therefore of the opinion that consideration should be given to measures which would fix the value of the Canadian dollar at some definite relationship to the British pound sterling, and the currencies of those countries who import our wheat and other products and also with the currencies of those countries who are competing with Canada on the world market. The heavy discount on the pound sterling which prevailed until recently and the wide fluctuations in its relationship to the Canadian dollar had a disastrous effect on both the volume of our exports and price to the producer.

"We believe the rate of exchange should be stabilized for trade purposes without regard for the value of the Canadian dollar in New York. We believe that only by the stimulation of trade and the sale in greater volume and higher price levels of our primary products can the foundation be laid for substantial business recovery in Canada.

"Without attempting to suggest the practical methods by which such a change in the monetary standard of the Canadian dollar might be brought about, the Government is of the opinion that the time is also opportune to consider the expenditure of money for the carrying out of a public undertaking of a productive nature for the relief of unemployment.

"It is generally accepted that the control of credit for Government undertakings and the vital industries of Canada is now primarily under the control of the chartered banks and other large financial institutions. We submit that the control of credit has a very direct and far reaching effect on the economic welfare of the Canadian people and the general policy in this respect, and the manner in which governments, industry, and the primary producers are served, vitally affects the economic life of the Dominion.

"We therefore submit that the control of credit and currency is a most definite responsibility of the Dominion Government and should be effected by the establishment of a central or national bank."

Agriculture in the West must be provided with more credit and Mr. Reid believed that the Royal Commission might consider the establishment of some method of providing such credit apart entirely from the chartered banks. The policy of the banks of demanding renewal of notes every three months was characterized as having "proved a never-ending source of irritation." The maximum rate of 7 per cent had been fixed in the Bank Act and Mr. Reid stated that "any practice of demanding interest in advance which brings about the payment of a higher rate than 7 per cent is a practice that defeats the spirit, if not the legal letter, of this provision."

"There is a wide and deep conviction on the part of the citizens of Western Canada that they have been, and are being unduly penalized by reason of the opinion too long prevailing in financial circles that the West is a pioneer country, in which the risks of doing business are unduly great. The Government believes that any critical analysis of the relative financial position of western provinces and municipalities with those of eastern provinces will show a soundness of financial position as well as an absence of losses and a minimum number of defaults for any payment of principal or interest as to compare favorably with such an analysis of provincial governments and municipalities in eastern Canada."

Need "Cheaper" Moneys

H. M. E. Evans, chairman of the finance committee of the Edmonton Chamber of Commerce, urged, on behalf of his organization, the need for "cheaper money" in the west.

"To meet the depression has Canada not needed and does it not still need a more definite and more vigorous cheap money policy?" the brief asked. "Should not the banks give the lead in such a policy? Was it not contrary to the best public interest that the banks for a time actually raised the cost to borrowers of the highest class in order, we presume, to offset the shrinkage in the volume of good loans of lower classes?"

"Our plea is for a policy of much cheaper money," said the brief. "This would immediately and directly ease the burden of governments, Dominion, provincial and municipal, and indirectly aid all fresh Government financing. It would in time work down through the various grades to benefit all other classes of borrowers. With returning general confidence the lowering of the return on bank deposits and on Governmental securities should tend to encourage other uses of money with an immediate bearing on the cost and ease of refinancing all private debts, long as well as short.

"Finally, and granted some return of general confidence, cheaper and easier money should encourage the revival of industrial and other enterprises and thus be a prime factor in hastening recovery."

History of Bank Act

The story of how the Canadian Bank Act has been built up over a period of 111 years was told to the Royal Commission on Banking and Currency by J. A. McLeod, president of the Canadian Bankers' Association, at the first public session held in Ottawa. Presented as a background for the commissioners in their study of Canadian banking conditions, Mr. McLeod's address on the "Historical Outline of Banking Legislation in Canada" is an excellent text for all students of Canadian banking.

Mr. McLeod's main evidence has already been summarized in The Financial Post.

Since 1817 when nine merchants of Montreal signed articles of association to conduct without statutory authority a banking business, banking in Canada has shown amazing progress. This association became the Bank of Montreal in 1822 with the granting of a charter by the legislature of the old Province of Canada. Some features of this charter came from the charter of the Bank of the United States which had been established in 1791. Among these provisions was the right to establish branches and the prohibiting of the bank from acquiring or holding real estate other than that necessary in the conduct of the bank's business although mortgages or hypothecations of land might be taken by way of additional security for debts previously contracted.

Note Issue Permitted

The Bank of Montreal was permitted to issue notes but the amount of such notes could not exceed the aggregate amount of paid up capital stock and gold and silver coin and bullion and debentures or other securities, reckoned at par, issued by the province, on hand. Later in 1840 it was provided that issue and circulation of notes could not exceed the amount of paid-up capital. Mr. McLeod gave details of the issue of charters to the early banks, many of which have been absorbed into existing banks. The Bank of Nova Scotia received its charter in 1932 and the Bank of Toronto received its charter in 1855.

Prior to 1859 there was no general banking statute and powers held by the various banks differed in some degree. In that year was enacted the first statute authorizing advances against bills of lading and warehouse receipts. This provision is now embodied in the Bank Act. Originally only five classes of persons were entitled to give a receipt for goods which might be retransferred as collateral security. These were, warehousemen, millers, wharfingers, carriers and masters of vessels. Lumbermen were included in 1861. The principle has been extended to other classes of articles and classes of borrowers from time to time. These provisions were incorporated in legislation in order to facilitate commercial and business transactions and afford greatest security to the banks.

Federal Act Drawn

The British North America Act of 1867 gave the Dominion exclusive right to make laws with regard to currency and coinage and banking, incorporation of banks and the issue of paper money. Double liability of shareholders in event of insolvency was made applicable to all banks in 1867 and remains in the present act. The first session of the first Parliament of Canada passed "An Act Respecting Banks" which applied to all Canada and which extended the charters of the banks incorporated by the several provinces before Confederation. In effect it consolidated all the act relating to banks which had been passed by the Province of Canada.

In 1871 a general act relating to banks was passed which is generally referred to as the Bank Act of 1871. The first section continued to charters of existing banks to July 1, 1881, and precisely stated the powers and obligations of the banks. This act also extended the privilege of borrowing on the security of warehouse receipts to include a curer and packer of pork, or a dealer in wool. In 1872 the same privileges were extended to cereal grains in process of conversion into malt and flour and to hogs when converted into bacon and hams. Malsters were added to the list of persons who could so borrow.

In 1880 charters of existing banks were extended until July 1, 1891. The list of persons entitled to borrow from a bank on security of their own goods was increased to include saw millers manufacturers of timber, curers or packers of meat, tanners or purchasers of agricultural products. The act of 1880 also gave notes of the banks a new status in the event of insolvency and they were made a first charge on assets of the bank even in priority to debts due to the Crown. In 1888 distillers and manufacturers of or dealers in cotton were permitted to borrow on the security of their own goods.

Section 88 Takes Form

The Bank Act was again revised in 1890, charters of existing banks being extended to July 1, 1901. All provisions dealing with the security which a bank might receive in connection with advances to customers were consolidated and extended to include particularly manufacturers and wholesalers. The changes then made are in effect today as section 88 of the Bank Act. Another amendment to the act permitted the borrower, who was not in possession of the security which he intended to offer, to give, at the time he secured the advance, a written promise or agreement that the warehouse receipt or bill of lading would be given to the bank as soon as it came into his possession.

Found Redemption Fund

The act of 1890 also provided for establishment of the Bank Circulation Redemption Fund the purpose of which was to assure prompt and certain redemption of the notes of a failed bank. This legislation has also remained practically unchanged to the present time and in 43 years has been used only once, in 1916 in connection with the defunct Bank of Vancouver. In 1900 it was provided that if a bank suspended payment in specie or Dominion notes of any of its liabilities, the Canadian Bankers' Association, formed in 1900, or its president, was empowered to appoint a curator to supervise the affairs of the bank until a liquidator was appointed. Also, in 1900, sale of the assets of one bank to another was permitted and an amendment in 1913 provided that such sale must have the consent of the Minister of Finance. As a result of this legislation 28 banks have been acquired directly or indirectly, by banks now carrying on business.

There were two temporary extensions of bank charters in 1911 and 1912 and revision of the Bank Act took place in 1913. In order to increase agricultural production, the banks were authorized to make loans to farmers upon the security of threshed grain grown upon the farm. Provision was also made for a shareholders' audit following similar provisions in the English Joint Stock Companies Act.

Start Central Gold Reserve

Another provision was for the setting up of the General Gold Reserve under which the Canadian Bankers' Association could appoint three trustees and the Minister of Finance one who would receive current gold coin and Dominion notes which the banks might desire to deposit with them. Against such deposits the banks were permitted to issue its own notes to the extent of its deposits, in addition to notes issued against paid-up capital. It was also provided that during the usual season for moving crops, from September 1 to February 28, the bank might issue its notes to an amount not exceeding 15 per cent of paid up capital and reserve fund paying interest at 5 per cent annually while such circulation was outstanding.

In 1915, under the stress of the war, banks were authorized to lend money for purchase of seed grain to owners or tenants, upon the security of any crop grown from such seed grain. This was to increase the production of wheat and is still in effect. In 1916, the banks were authorized to lend to a farmer or any person engaged in stock raising upon security of his cattle.

Inspector Appointed

Revision of the Bank Act in 1923 extended charters until July 1, 1933, and charters were temporarily extended to July 1, 1934, in the current year. The 1923 revision provided for registration of intention to borrow under section 88 of the Bank Act. Two auditors were required for each bank instead of one and it was provided that only one auditor could be permanent and the other had to be changed every two years. Auditors also had to report directly to directors, individually or jointly, any transactions which are not satisfactory to them. The monthly financial return made by the banks to the government, a feature of banking legislation practically from the beginning, was modified permitting the exclusion under certain conditions of certain classes of loans from the current loan column. Since 1890 the bank had to have capital stock of not less than $500,000 of which $250,000 had to be paid up in cash before commencement of business.

Resulting from the failure of the Home Bank in August, 1923, an Inspector General of Banks was appointed in 1924 who is an officer of the Department of Finance. At least once a year the inspector is to make an examination and enquiry into the affairs of each bank and report direct to the Minister of Finance.

Regard Loans to Retailers As Poor Risks, Say Bankers

Alberta Retailers Want More Bank Credit — Claim They Are Financing Western Farmers

Loans granted by the banks on the security of bulk inventories of commodities and manufactured products to manufacturers and wholesalers are entirely different transactions than loans to retailers, in the opinion of prominent bankers interviewed by The Financial Post. Press dispatches credit A. C. MacKay, Alberta secretary of the Retail Merchants' Association, with the statement that "Because the banks have not recognized the principle that merchandise in a retail store is good security for credit, the onus has been thrown on the wholesaler and manufacturer."

Lack of bank credit, according to Mr. MacKay, made it practically impossible for country merchants to take advantage of discounts offered by wholesalers and manufacturers for early cash payments. Credit granted was far from being in accordance with the capital invested by merchants.

Merchants Act as Bankers

Another objection made by the retailers' representative was that "Country merchants have another complaint which I believe is well founded. The banks through curtailing credit generally have forced the merchant into the position of being the real banker in the community. It is his credit, not the bank's that is extended to the farmer. The result has been that the country retailers have far more on their books than it can be justly said they should have."

One banking official stated that in his many years of banking experience he knew of no time when the banks had restricted credit to sound risks, with the single exception of 1907. There are very few figures available on the loans extended by the banks to various classes of borrowers but figures issued by the Canadian Bank of Commerce at the end of 1928 and at the end of 1932 give an interesting comparison of loans by one of the largest banks at a time of great prosperity with those at a time when business was at an extremely low ebb. Late in 1928, this bank had loans in Canada of $386,000,000, of which $29,000,000 comprised loans to general stores and sundry wholesalers and retailers. Late in 1932 total loans had dropped to $267,000,000, of which $18,000,000 was on loan to the same class of borrowers. Loans to retailers amounted to 7½ per cent of the total at the end of 1928 and 6¾ per cent of the total at the end of 1932. In this period the Dominion Bureau of Statistics index of wholesale prices dropped from 94.6 to 64 and the index of retail prices dropped to 80.4 from 99.6.

Bankers preferred to see the complete text of Mr. MacKay's brief rather than to comment on inadequate press dispatches but stated that if Mr. MacKay was suggesting that retailers be allowed to borrow under section 88 of the Bank Act there were very definite reasons why this should not be permitted. Under this section loans are made to certain classes of borrowers on the security of stocks of commodities or manufactured merchandise. In the case of the retailer, his inventory of goods is generally small and is made up of a diversity of lines in which there may be only a small quantity of each. These inventories are subject to constant reduction, not alone through sale but depreciation and obsolescence. It would be impossible for the bank manager to make a loan on such security.

That the country merchants are financing the farmer in many districts cannot be denied. Merchants have extended credit to the farmer without definite arrangements as to when the account will be paid off. The farmer, suffering from poor crops and low prices for his products, is unable to meet his obligations and the merchant cannot collect. The credit extended by the the merchant becomes a non-liquid asset on which it is probable that there will be a high percentage of loss even if payment is eventually received. The merchant either cannot collect on his accounts receivable or loses business if he does not extend credit. This is one of the hazards of his business.

Bankers feel that it would be very poor banking practice to loan money to the retailer on the security of his accounts receivable. The banks loan money for short periods of time only and thereby retain their liquidity since loans are constantly maturing. If these loans are satisfactory they can be renewed but the principal of the loan is subject to constant reduction. In the case of retailers' accounts receivable the bank could collect no more readily than can the retailer and it is up to the retailer to collect on his own accounts in order to maintain a liquid position. If the retailer secures notes from his customers such notes with a definite maturity would serve better as collateral for loans.

Bankers, generally, agree that as a class loans to retailers carry a higher degree of risk than loans to other classes of borrowers. Many retail businesses are operated without sufficient capital and are subject to competition from stores opened "on a shoe string."

Does Canada Need a Central Bank?

Two Booklets discussing all phases of a big National problem

Business men in Canada are keenly interested in the work of the Royal Commission now investigating the Canadian Bank Act under the chairmanship of Lord Macmillan. Get the two books advertised below and study both sides of the important question, "Does Canada Need a Central Bank?"

The Economist answers the Question

ECONOMISTS, business men, parliamentarians and bankers alike have spoken highly in praise of the articles on "A Central Bank for Canada" by A. F. W. Plumptre, lecturer in money, University of Toronto. The articles were a simple statement of the pros and cons, written for the average business man reader.

Republished in booklet form, the articles have been in heavy demand. Copies, bound in paper cover, may be had at the nominal cost of, each .... **25c.**

The Banker answers the Question

THE bankers' viewpoint on the question of a Central Bank is clearly set forth in "Does Canada Need a Central Bank?" a booklet reprinting a recent series of articles by "A Canadian Banker." The articles also cover fully the subjects of inflation, currency depreciation, etc., which are so definitely before the public at the present time. This booklet also may be had at the nominal cost of, each .... **25c.**

Use the coupon to order one or both of these books

THE FINANCIAL POST,
481 University Avenue, Toronto.
Send me the following Central Banking booklets:
......copies of "A Central Bank for Canada," by A. F. W. Plumptre, for which I enclose 25 cents a copy.
......copies of "Does Canada Need a Central Bank?" by "A Canadian Banker," for which I enclose 25 cents a copy.
Name ....
Address 361

Note Circulation Dropped During July

Dominion notes in circulation at the end of July totalled $182,113,558 as compared with $184,427,058 at the end of June while gold reserve held by the Minister of Finance increased to $71,929,298 from $71,649,285. Decrease of $2,314,000 in circulation failed to offset the gain of $9,579,000 registered in June as a result of increased borrowings under the Finance Act.

Excess of gold held over statutory requirements moved up to $601,833 from $288,506 at the end of June and compares with excess of $553,422 at the end of May. Increase in gold held was $280,000.

The statement of gold held by the Minister of Finance is as follows:

Gold Holdings at July 31, 1933

Against savings bank deposits (10% on $23,579,069)	$2,357,907
Against notes as required by Dominion Note Act	68,969,559
In excess of statutory requirem'ts	601,833
	$71,929,298

Regina's Bank Loans Now Total $829,000

Bank indebtedness of the city of Regina is reported at $829,000 of which $141,000 represents borrowings against capital account and the balance for current borrowings for 1932 and 1933 not yet repaid. In addition, the city owes the provincial government $294,578 for which debentures are to be issued and held by the government for a year pending a market. Of this amount, $263,805 represents the city's share of the cost of relief work. The province will take 6 per cent debentures at par to the amount of $234,728 and for the balance 5½ per cent debentures at a price to yield 6 per cent.

Undischarged current borrowing from the bank for the current year, to date, amounts to $325,000 and is heavy for this time of the year, according to City Treasurer David D. Ross. The reason given by Mr. Ross is that some of the proceeds of tax collections have been used to retire borrowings made in 1931 under an agreement with the bank.

Obituary

John J. Buchanan, manager of the Province of Ontario Savings Office, University Ave., and Dundas St., Toronto, died recently aged 49. Mr. Buchanan had been with the provincial savings bank for eight years and was formerly connected with the Sovereign Bank and the Farmers Bank.

Frederick W. Ashe, formerly London manager for the old Union Bank of Canada died recently in England, aged 69 years. Mr. Ashe began his apprenticeship with the Union Bank in Winnipeg, later managing several branches in Ontario and Quebec. In 1907 he was appointed superintendent of branches and assistant to the general manager.

Bright Winery Stock Listing Sought in Montreal

From Our Own Correspondent

MONTREAL.—Application has been made to the Montreal Curb Market for the listing of 8,000 shares of preference stock of $100 par value and $100,000 shares of no par value common stock of T. G. Bright and Co. This company, located at Niagara Falls, operates the largest winery in Canada and at June 30 last had assets totalling $1,371,042.

Foreign Exchange

CONTINUED firmness of exchange of Continental countries in terms of United States money has been in evidence for the past week. The French franc has gained and all of the gold bloc currencies including the neutrals, Holland and Switzerland, have moved in sympathy. Renewed confidence in the franc as a result of successful French funding operations appears to be the chief reason. Hoarding of gold in France has ceased; another evidence of increased confidence.

The market for sterling in New York has been dull and most of the transactions affecting rates are reported to occur in London three or four hours before the New York market opens. Marked increase in quotations on the £ sterling was shown on August 18 but the subsequent movements have been narrow.

* * *

GROWING sentiment that the United States must further inflate its currency to assure the success of the National Industrial Recovery Act may be responsible for increased strength of European currencies in New York. There has been no substantial fluctuation of the premium on United States funds in Canada but the premium has tended to drift downward.

FOREIGN EXCHANGE
New York Funds

	High	Low	Last Year High	Last Year Low
	(Premium)		(Premium)	
	%	%	%	%
Aug. 15 ..	6 1-16	6	15	14 3-16
Aug. 16 ..	6 3 8	5 15-16	15	14 3-16
Aug. 17 ..	6 1-2	6	15	14 7-8
Aug. 18 ..	6	5 5-8	15	14 3-4
Aug. 19 ..	6 1-16	5 7-8	14 7-8	14 1-2
Aug. 21 ..	5 7-8	5 3-4	......	......

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 16 ...	4.43	.0525	.0705
Aug. 16 ...	4.41 1-4	.0524 1-2	.0704
Aug. 17 ...	4.42 1-2	.0525 1-2	.0706
Aug. 18 ...	4.48 3 8	.0531 3-4	.0716 3-4
Aug. 19 ...	4.49 3-8	.0533	.0716 1-4
Aug. 21 ...	4.50 3-4	.0535	.0719 3-4

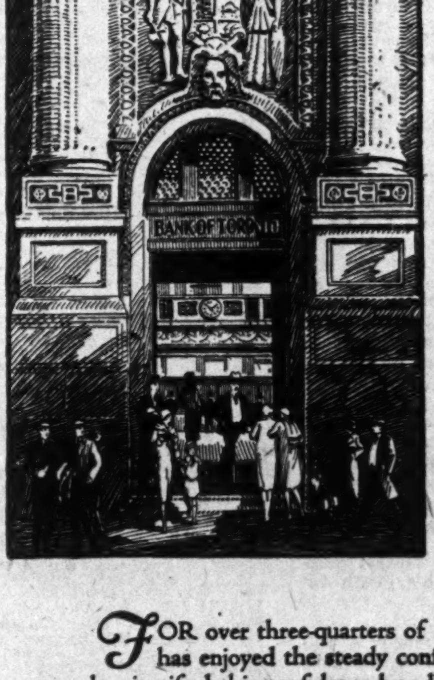
Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 15 ..	4.68 1-4	0.056	0.0747
Aug. 16 ..	4.67 3-4	0.055 1-2	0.0746 1-4
Aug. 17 ..	4.76 3-4	0.565	0.0758
Aug. 18 ..	4.76 3-4	0.566	0.0761 1-4
Aug. 19 ..	4.76 3-4	0.565 3-4	0.0760
Aug. 21 ..	4.77	0.566	0.0762

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Aug. 15 ..	0.3394	0.1989	0.2825
Aug. 16 ..	0.3384	0.1981 1-2	0.2820
Aug. 17 ..	0.3434 1-2	0.2019 1-2	0.2835
Aug. 18 ..	0.3456	0.2023	0.2810
Aug. 19 ..	0.3447	0.2014	0.2860
Aug. 21 ..	0.3440	0.2019	0.29

Weekly Bank Clearings

	Aug. 17 1933 $	Change year ago %	Aug. 10 1933 $
Halifax	1,821,370	—9.3	2,110,050
Saint John .	1,833,059	+16.6	1,484,004
Moncton ...	571,479	+1.2	514,062
Sherbrooke .	555,292	+2.7	557,683
Quebec	3,572,510	—10.8	3,977,355
Montreal ..	74,307,128	+3.6	91,417,312
Ottawa	3,784,922	+5.7	3,347,408
Kingston ..	547,737	+4.0	498,242
Peterborough	548,560	+12.8	447,435
Toronto	87,396,811	+18.3	73,795,223
Kitchener .	896,348	+23.9	756,192
Brantford ..	633,774	—2.3	578,2[illegible]8
London	2,209,913	+13.0	1,779,367
Chatham . .	463,416	+21.9	361,715
Windsor ...	2,066,412	—9.5	2,129,479
Sarnia	347,142	unch.	348,108
Sudbury ...	558,040	+22.0	488,128
Hamilton ..	3,285,522	+0.9	2,999,989
Ft. William	533,557	—11.2	504,148
Brandon ..	280,180	—13.0	284,070
Regina	3,121,959	+24.1	3,729,207
Moose Jaw .	436,529	+4.2	427,878
Saskatoon .	1,141,319	—10.5	1,287,444
Edmonton .	3,812,935	+11.5	3,442,877
Calgary	6,594,479	+41.4	6,223,668
Medicine Hat	188,461	+13.9	172,170
Lethbridge	339,037	—0.3	398,189
N. W'minster	424,039	—1.3	445,172
Vancouver .	13,387,412	+22.7	18,118,886
Victoria ...	1,319,811	+3.5	1,473,332
Winnipeg ..	98,157,550	+174.6	69,309,694
Pr. Albert .	264,615	+9.7	235,482



Public Confidence

FOR over three-quarters of a century, The Bank of Toronto has enjoyed the steady confidence of the Canadian people. It has justified this confidence by adhering unswervingly to sound banking principles. Consequently it has gone from strength to strength until today assets of over $119,000,000 and deposits of over $92,000,000 are tangible evidence of the important role it plays in the progress of Canada.

During the years of its existence, The Bank of Toronto has assisted in the founding of many industrial and agricultural enterprises now of national and international importance. Its accumulated experience and banking strength are always at the disposal of commercial, industrial and private interests.

• • •

Discuss your business problems with this experienced and friendly bank.

1855 1933

THE BANK OF TORONTO
Established 1855

3313

A. J. Pattison, Jr. & Co. LIMITED
(Established in 1907)
Unlisted Bonds and Stocks
3rd Floor, Royal Bank • Toronto, Can.

Insurance Trust Offers Advantages

Life Insurance Best Means of Building Estate Quickly; Proceeds Paid to Trustee Permits Distribution According to Beneficiaries' Requirements

Article Ten of a Series on Wills and Estates

In setting up a trust in a will there are usually two primary objects, first, the conservation of assets in an estate and, second, the dedication of these assets to some specific purpose. In previous articles it has been assumed that the estate to be dealt with in the will and in the trust agreement has already been built up. Few people, however, are content with the size of their present assets and probably the majority have yet to build an estate that they feel will be sufficient for the protection of their dependents. For those who desire to create an estate that will provide for their future needs or the needs of their dependents life insurance offers the quickest and surest means. It is not surprising, therefore, that the benefits of life insurance in building an estate and those of properly drawn trusts in conserving the estate have been combined in what are known as life insurance trusts.

While any form of life insurance will serve to increase an estate, providing premiums are paid, the requirements of each individual will vary in some degree and in securing the proper type of insurance to meet the specific needs of each case the services of a trained life insurance salesman are necessary, one who through knowledge of his business and experience with similar cases can advise on the requirements of the individual. But even all experienced life insurance salesmen are not qualified to advise on the best way of handling the proceeds of the insurance they sell.

Specialists Are Best

Those who hold the degree of C.L.U. (Chartered Life Underwriter) issued by the Life Underwriters' Association of Canada, have studied and passed an examination in such subjects as "Administration of Estates," "Wills and Their Probate," "Intestacies," "Succession Duties" and 'Trusteeships.' Their knowledge of these subjects, while equipping them to render better service in selling insurance cannot replace, however, the services of a lawyer or a trust company. Each of the large insurance companies have specialists who are qualified to advise both as to legal and insurance requirements. Such specialists can render extremely valuable services both in the building of an estate by means of insurance and its future conservation. Where the life insurance trust is found to be desirable and a trust company is designated trustee full co-operation between the life insurance company and the trust company can be expected.

Assures Proper Management

The fundamental purpose of a life insurance trust is to provide for the administration and ultimate distribution of the proceeds of life insurance policies when such policies become payable. It is true that arrangements can be made with the life insurance company for periodic distribution of the proceeds of a policy over a term of years and that the company pays approximately 4½ to 5½ per cent interest on the unpaid balance but the life insurance company is not qualified to act as a trustee for such funds and the arrangement, while suitable for some cases, may not be sufficiently flexible for others.

When a policy matures, the life insurance company will pay the beneficiary in four different ways. The insurance may be paid to the beneficiary in a lump sum; the money may be left with the company for a specified period during which a definite rate of interest is paid; the principal may be paid in periodic installments for a certain term of years or a monthly income may be paid during the life of the beneficiary. There is little flexibility in these arrangements to provide for unforeseen eventualities. If the principal is paid out periodically the payments may either be too large or, what is more important, too small, to meet the needs of the beneficiary. In the first case, money may be injudiciously spent, while in the second case, considerable hardship may be worked on the beneficiary. It is for just such cases that the life insurance trust has been devised. By this means the proceeds of the insurance policy can be handled by a trustee in which the assured has confidence and can be distributed according to the terms of the trust which should give the trustee some degree of latitude.

Provides Estate Immediately

The creation of an estate through the purchase of life insurance is more or less a common practice by those who are insurable risks. The advantages are obvious, since an estate can be created immediately with the writing of the contract and a definite estate is assured as long as the insurance remains in force. Life insurance, in fact, provides the greatest proportion of liquid assets in the great majority of estates passing through the Probate courts. The very liquidity of this asset, however, may be a source of danger in that large amounts of money may be payable to beneficiaries who have had no previous experience in handling such sums. If the insurance company is directed to pay the value of the policy to a certain beneficiary this payment will be made and the insurance company has no further responsibility in the matter. If, however, the proceeds are made payable to the executor of the estate to be handled by a trustee according to the terms of a trust, the estate is not only increased by the proceeds of such insurance policies but is conserved by the trustee and distributed according to the terms of the trust.

It is not proper to take out life insurance payable to a named beneficiary and then treat the proceeds of such insurance as part of the estate to be administered by an executor or trustee. Many such cases come before the courts for interpretation of the terms of the will. As an example, there is the case of a man's will which provided a trust fund for his daughter to the amount of $50,000. Prior to the making of this will the man had taken out a life insurance policy for $50,000, in which the daughter was named as beneficiary. Apparently his intention when he drew his will was that the proceeds of this life insurance policy would be made payable to his estate to be administered by the trustee for his daughter's benefit. Through oversight, or misunderstanding, the name of the beneficiary of the insurance policy was not changed and upon his death the proceeds became payable direct to the daughter who also benefitted to the extent of another $50,000 under the terms of his will.

In providing for the distribution of an estate it is not difficult to make a slip that would result in a distribution not in accord with the intent of the testator. The avoidance of such errors of omission or commission can be made more certain if the testator uses the services of experienced persons, such as trust officers, lawyers and specialists in insurance.

Funded Trust Useful

The life insurance trust as described in this article presupposes that the cost of the insurance carried is being paid out of earned income. Some people, however, have sufficient capital reserve to permit them to pay for their insurance out of the income from their investments. Such individuals can set up what is called a funded trust. Under this arrangement, sufficient assets are placed in the custody of a trustee to provide an income large enough to cover payments due on insurance, the purchase of a house or other obligations that must be met. The trustee undertakes to look after the investments and pay obligations coming due. At the death of the owner his estate in the hands of the trustee is increased by the proceeds of his insurance which has been made payable to his estate and the trustee distributes the assets according to the terms of the trust deed. Under this arrangement, the owner of the assets, while living, is freed from the responsibilities attaching to the management of his estate, such as the collection of rents, the cashing of interest coupons, etc., and upon his death the trustee carries on.

Note: The next article in this series will appear in The Financial Post at an early date. Upon completion, the series may be obtained in booklet form.

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The FINANCIAL WORLD
53 (F.P.) PARK PLACE NEW YORK

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 21

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
August 22, 1933

Industrial Bonds:	Bid August 22	Asked August 22	Bid Aug. 15
Abitibi P. & P. 5% 1953	23.25	25.00	25.00
Acadia Sugar 6% 1946	91.00	93.00	90.00
Alta. Pac. Grain 6% 1946	78.00	82.00	78.00
American Sales Book 6% 1939	99.00	....	99.00
B. A. Oil 5% 1945	98.00	99.50	98.00
Can. Biscuit 6½% 1946	21.50	23.50	22.00
Can. Bread 6% 1941	97.00	....	97.00
Can. Cement 5½% 1947	76.50	78.50	76.00
Can. Steamship 6% 1941	20.00	22.00	21.00
Can. Bakeries 6½% 1945	65.00	75.00	65.00
Can Canners 6% 1950	97.00	100.00	96.50
Can. Copper Refin. 6% 1945	106.00	....	106.00
Can. Cottons 5% 1940	90.00	....	86.50
Can. Vickers 6% 1947	56.00	60.00	58.00
Cons. Invest. 4½% 1959	57.00	....	56.00
Cosmos Imp. Mills 6½% 1944	85.00	....	84.00
Davies, Wm. 6% 1942	97.50	100.00	97.00
Debenture & Sec. 4% 1936	62.00	....	63.50
Dom. Tar & Chemical 6% 1949	71.00	75.00	73.00
Dom. Telegraph 5½% 1978 "A"	94.00	....	93.00
Dom. Textile 6% 1949	104.00	....	104.00
Dom. Woollens 6% 1948	31.00	....	30.00
Donnacona Paper 5½% 1948	33.00	....	33.00
Eaton Realty 5% 1949	90.00	....	90.00
Famous Players 6% 1948	73.50	75.50	75.00
Federal Grain 6% 1949	74.00	77.00	78.00
Firestone Tire 7% 1937	105.00	....	106.00
Fraser Cos. 6% 1932	32.00	....	30.00
Fraser Cos. 6% 1950	30.00	....	30.00
Galt Brass 7½% 1941	15.00	20.00	15.00
General Steel Wares 6% 1952	64.00	67.00	64.00
Goodyear Cotton 6% 1949	102.50	104.50	102.00
Great Lakes Paper 6% 1950	28.00	30.00	29.00
Gypsum, Lime & Alab. 5½% 1948	43.00	46.00	45.00
Harris Abattoir 6% 1947	101.50	103.00	101.50
Howard Smith 5½% 1953	75.00	78.00	73.00
Loew's Toronto 6% Serial	98.00	....	98.60
London Realty 6½% 1950	30.50	40.00	40.00
Maple Leaf Milling 5½% 1949	53.50	57.50	53.50
Massey-Harris 5% 1947	68.00	69.50	69.00
McColl-Frontenac 6% 1949	95.00	98.00	95.00
McKinnon Industries 6½% 1945	95.00	....	95.00
Mercury Mills 5½% 1953	53.00	....	52.00
Metropolitan Bldg. 7% 1944	80.00	....	80.00
Northern Ontario Bldg. 6½% 1939	65.00	71.00	65.00
Price Bros. 6% 1943	55.00	60.00	55.00
Richmond-Bay 6½% 1947	61.00	....	61.00
Simpsons Ltd. 5½% 1949	75.00	....	72.50
Simpsons Ltd. 6% 1949	77.00	79.00	76.00
Steel of Canada 6% 1940	103.00	....	103.50
Stop & Shop 6% 1947	64.00	....	63.00
Toronto Carpet 6% 1944	81.00	....	80.00
United Gas & Fuel 5½% 1948	74.00	78.00	74.00
United Grain Growers 5% 1948	78.00	81.00	78.00
United Grain Growers 5½% 1949	82.50	86.50	83.00
Wabasso Cotton 7% 1942	70.00	....	70.00
Western Grain 6% 1949	67.50	71.50	70.00
Public Utility Bonds:			
Bell Telephone 5% 1955	106.50	....	105.00
Bell Telephone 5% 1957	....	....	105.00
B. C. Power 5½% 1960	90.00	94.00	91.00
B. C. Telephone 5% 1960	96.50	98.00	96.50
Calgary Power 5% 1960	79.50	83.00	83.00
Can. Northern Pwr. 5% 1953	79.50	81.50	81.00
Duke-Price Pwr. 6% 1966	81.00	83.00	80.00
French Nat'l Mail S.S. 6% 1952	124.00	134.00	124.00
Gatineau Pwr. 6% 1941 "A"	70.50	72.00	71.00
Gatineau Pwr. 5% 1956	80.50	81.50	81.00
Maclaren Quebec 5½% 1961	82.00	83.00	81.00
Manitoba Power 5½% 1951	40.00	45.00	41.00
Montreal Isl. Pwr. 5½% 1957	95.00	98.00	95.00
Montreal LH&P 5% 1951	105.00	107.00	104.00
Montreal LH&P 5% 1970	105.00	107.00	104.00
Montreal Tram 5% 1941 July	95.00	98.00	95.50
Montreal Tram 5% 1955	78.00	81.00	79.50
Northwest. Utilities 7% 1938	95.00	99.00	97.00
Ottawa Valley Pwr. 5½% 1970	99.00	101.00	99.00
Quebec Power 5% 1968	95.00	99.00	96.50
Rio Tramways 5% 1935	99.00	....	99.00
Shawinigan W & P 4½% 1970	78.00	....	76.00
Shawinigan W & P 5% 1970	86.00	87.00	85.00
Shawinigan W & P 6% 1937	95.50	96.50	95.50
Southern Can. Pwr. 5% 1955	99.00	100.50	97.50
West Kootenay Pwr. 5% 1956	97.75	98.75	97.00
Government, Provincial & Railway			
C. N. R. 4½% 1951 Dom. Gtd.	101.75	102.25	101.00
C. N. R. 4½% 1957 Dom. Gtd.	101.00	102.00	101.00
C. N. R. 5% 1969 Dom. Gtd.	107.00	107.50	107.00
C. P. R. 4½% 1944	83.00	84.00	83.00
C. P. R. 6% 1942	113.00	114.25	....
Dom. of Can. 5% 1936	103.00	103.50	103.00
Dom. of Can. 5% 1941	104.00	105.00	104.00
G. T. P. 3% 1962 Dom. Gtd.	81.75	82.50	81.75
G. T. P. 4% 1962 Dom. Gtd.	95.00	95.50	95.00
Ont. Hydro 3½% 1952 Ont. Gtd.	93.00	94.00	92.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	101.00	102.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	93.00	94.25	93.00
Prov. of N B. 5% 1957	99.00	102.00	99.00
Prov. of Ont. 5½% 1947	107.00	108.50	107.00
Prov. of Ont. 5% 1948	104.00	105.00	104.00
Prov. of Ont. 5½% 1946	107.00	108.00	107.00

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Bank of Can. Nationale	10%	2½%	Sept. 1	Aug. 15
Borden, c.	$1.60	40c	Sept. 1	Aug. 15
Bank of Montreal	$8	$2	Sept. 1	July 31
Bank of Nova Scotia	12%	3%	Oct. 2	Sept. 15
Bank of Toronto	$10	$2.50	Sept. 1	Aug. 15
Belding Corticelli pfd.	7%	1¾%	Sept. 15	Aug. 31
Canada Vinegars	$1.60	40c	Sept. 1	Aug. 15
Can. Bank of Commerce	$8	$2	Sept. 1	July 31
Can. Hydro-Elec., 1st pfd.	6%	1½%	Sept. 1	Aug. 1
Can. Silk Products A	$1.50	37½c	Aug. 31	Aug. 15
Crow's Nest Coal (interim)	...	$2	Sept. 1	Aug. 1
Dominion Bank	10%	2½%	Oct. 2	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Stores	$1.20	30c	Oct. 2	Sept. 15
Dominion Textiles c.	$4	$1	Oct. 2	Sept. 15
Do., pfd.	7%	1¾%	Oct. 16	Sept. 30
East. Theatres, com.	$2	50c	Sept. 1	July 31
Goldfield Cons. (interim)	...	5c	Aug. 31	Aug. 16
Hollinger Cons. Gold M.	65c+10c	5c+5c	Sept. 9	Aug. 25
Imperial Tobacco	35c	8¾c	Sept. 30	Aug. 30
Do., pfd.	6%	3%	Sept. 30	Aug. 20
Imperial Oil (coupon 38)	50c	12½c	Sept. 1	Aug. 15
Inter. Milling pref.	7%	1¾%	Sept. 1	Aug. 19
Do. "A" pref.	6%	1½%	Sept. 1	Aug. 19
Inter. Petroleum	$1+12c	28c	Sept. 15	Aug. 31
Jamaica Pub. Serv.	$1	25c	Oct. 2	Sept. 15
Do., pref.	$7	$1.75	Oct. 2	Sept. 15
Lake Shore Mines	$2+$1	50c	Sept. 15	Sept. 1
Laura Secord	$3	75c	Sept. 1	Aug. 15
Loblaw Groceterias A & B	80c	20c	Sept. 1	Aug. 12
Merland Oil (interim)	...	5c	Sept. 15	Aug. 15
McIntyre Mines	$1	25c	Sept. 1	Aug. 1
Do., extra	50c	12½c	Sept. 1	Aug. 1
Do., extra	...	12½c	Sept. 1	Aug. 1
McColl-Fron., c	60c	15c	Sept. 15	Aug. 15
Montreal Loan	12%	3%	Sept. 15	Aug. 31
Montreal Cottons pfd.	7%	1¾%	Sept. 15	Aug. 31
Nat. Sewer Pipe A	$2.40	60c	Sept. 15	Aug. 31
National Biscuit pref	$7	$1.75	Aug. 31	Aug. 15
Ogilvie Flour Mills pfd.	$7	$1.75	Sept. 1	Aug. 21
Provincial Bank	6%	1½%	Sept. 1	Aug. 15
Pioneer Gold Mines of B.C.	60c	15c	Oct. 2	Sept. 8
Rolland Paper, pref.	6%	1½%	Sept. 1	Aug. 15
Royal Bank	8%	2%	Sept. 1	July 31
Royalite Oil Co.	...	50c	Sept. 15	Aug. 31
Sylvanite Gold Mines (interim)	...	2½c	Sept. 30	Aug. 31
Standard Steel, A pfd.	$3	75c	Oct. 1	Sept. 15
Walker-Good. & Worts pfd.	$1	25c	Sept. 15	Aug. 25

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
August 22, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	96.00	5.53
Alberta	6	1 Mar., 1947	1 Sept.	103.50	5.63
*British Columbia	4½	1 Oct., 1952	1 Oct.	89.75	5.33
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	103.00	5.63
Manitoba	4	1 July, 194[illegible]	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.50	5.39
Manitoba	6	1 Apr., 1947	1 Oct.	101.00	5.89
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	1 May, 1950	1 Nov.	105.75	4.99
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.25	4.48
Nova Scotia	5	1 May, 1943	1 Nov	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Sept.	103.50	4.10
Ontario	5	15 Oct., 1946	15 Oct.	105.25	4.52
Ontario	5½	1 Feb., 194[illegible]	1 Feb.	108.50	4.65
P. E. I.	4	1 Apr., 1939	1 Oct.	96.90	4.60
P. E. I.	6	1 May, 1947	1 Nov.	112.15	4.80
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	87.50	5.47
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.55
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.75	6.02
*Newfoundland	5	31 Dec., 1952	31 Dec.	80.00	6.88
*Newfoundland	5½	1 July, 1939	1 Jan.	82.00	9.02
*Newfoundland	6½	30 June, 1936	31 Dec.	91.00	10.05
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	91.00	5.58
Winnipeg	5	1 Mar., 1944	1 Sept.	93.50	5.78
*Edmonton	5½	1 Apr., 1947	1 Oct.	92.50	6.32
Calgary	5	1 Jan., 1942	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	100.50	4.95

*Payable in New York.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
August 22, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar com.	.80	1.15
Acadia Sugar 6% pfd.	3.80	....
Acme Farmers Dairy 7% pfd.	50.00	....
Agnew Surpass 7% pfd.	65.50	....
Allens London 7% pfd. bonus c.	33.50	....
Allens St. Cath. 7% pfd. bonus c.	32.00	....
Allens Toronto 7% pfd. bonus c.	20.50	....
Andian National U. S. funds	25.50	28.00
Atlantic Sugar A pfd.	75.50	85.00
B. C. Pulp & Paper pfd.	6.25	9.75
Burns pfd. bonus com.	6.50	10.00
Canada & Dom. Sugar	32.25	33.25
Canada Mach. c.	3.50	5.00
Canada Mach. pf.	18.00	....
Canada Packers c.	30.75	32.25
Canada Pack. pf.	100.50	102.50
Canada Starch 7% pfd.	63.50	....
Canada Tea 7% pfd.	45.50	59.50
Canada Wire & Cable pfd. WW	64.00	67.00
Can. Industries com. A	100.50	....
Can. Industries com. B	99.00	102.00
Can Industries 7% pfd.	120.00	123.00
Can. Westing.	45.00	48.00
Chase, A. W., pfd. bonus c.	11.00	14.00
Claude Neon Gen. Adv. Units	5.25	7.00
Dodge Mfg. A pfd.	....	7.00
Dom. Foundries & Steel 8% pfd.	47.00	50.00
Dom. Foundries & Steel com.	5.50	7.00
Dom. Manufac. 7% pfd.	65.50	....
Dunlop Tire 7% pfd.	53.50	57.00
Eastern Dairies Ltd. 7% pfd.	21.00	....
Edmonton Stockyards Units	....	50.00
Federal Grain com.	2.25	3.75
Federal Grain 6½% pfd.	....	35.00
A. J. Freiman pf.	45.50	51.00
Gen. Steel Wares pfd.	14.00	16.50
Goderich Elevator & Transit	4.75	6.00
Greening Wire 7% pfd.	45.50	55.50
Guelph Carpet 6½% pfd. bonus	61.00	66.00
Guelph Carpet c.	6.00	....
Inter City Baking com.	18.00	....
Inter. Proprietaries A	32.25	34.00
Langley's Ltd. 7% pfd.	25.50	30.00
Loew's Lond. c.	.25	.75
Loew's Lond. 7% pfd.	3.50	4.50
Loew's Toronto 7% pfd.	52.50	60.50
Massey-Harris 5% pfd.	19.50	22.00
Medical Arts pfd. bonus c.	96.50	....
Mount Royal Hotel c.	.30	.75
Mount Royal Hotel 6% pfd.	3.30	4.25
Nat. Grocers c.	1.75	2.25
Nat. Grocers 7% 2nd pfd.	83.00	90.50
Ont. Silknit pfd.	40.50	46.00
Paramount Kitchener pfd.	29.00	....
Paramount Oshawa com.	2.00	....
Paramount Oshawa pfd.	32.00	....
Provincial Paper 7% pfd.	60.50	63.00
Reliance Grain 6½% pfd.	....	64.00
Rolland Paper 6½% pfd. WW	41.00	....
Serv. Stations A pfd.	32.00	40.00
Standard Clay Prod. com.	7.00	14.00
Standard Fuel 6½% pfd. bonus	67.00	....
Supersilk pfd. bonus	31.00	....
Supertest Petroleum B	21.00	22.00

Ind. Stock cont'd.	Bid	Asked
Toronto Elevators 7% pfd.	93.00	96.00
United Corpns. Ltd. A	3.75	....
Un. Grain Grow.	12.00	15.00
Western Grain 6½% pfd. bonus	16.00	20.00
Western Grocers pfd.	75.00	85.00
Insurance Stocks:		
Br. Amer. Assce.	25.50	....
Canada Life Ass.	400.00	426.00
Can. Fire Ins.	51.75	60.00
Confederation Life 20% pd.	121.50	....
Continental Life 20% pd.	39.00	44.00
Crown Life Ins.	96.50	110.50
Dom. Fire Ins.	83.50	....
Dom. Life 50% pd.	145.50	....
Dom. of Can. Gen. Ins.	92.50	100.00
Empire Life 25% pd.	10.00	12.50
Excelsior Life 30% pd.	68.50	....
Fidelity Ins. Co.	48.50	....
Great West Life Assce.	325.00	350.00
Guarantee Co. of N. A.	248.50	....
Imperial Life	275.00	....
Mfrs. Life Ins.	245.50	255.50
Monarch Life 10% pd.	16.50	....
National Life 25% pd.	51.00	59.00
Saskatchewan Life 10% pd.	7.50	11.00
Sovereign Life 25% pd.	18.50	24.00
Sun Life Assur.	490.50	515.00
Western Assur. c.	14.00	17.00
Western Life 20% pd.	8.50	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	140.00	155.00
Can Gen. Invest. Ltd.	4.90	5.15
Can. Investors Corp.	4.75	6.50
Chartered Trust	53.50	....
Debenture & Sec. Corp. com.	3.50	....
Debenture & Sec. 5% pfd.	16.50	....
Dom. & Anglo Invest. Units	186.00	....
Eastern Can. Sav. & Loan	111.50	115.00
Eastern Trust	138.50	143.00
Guelph & Ont. Inv. par $50	45.00	51.00
Investment Foundation Units	33.50	36.50
Lambton Loan & Savings	49.00	55.00
London & Western Trust	....	50.50
Premier Trust	85.00	....
Provincial Bank	84.50	88.00
Security Loan & Savings	99.00	....
Sherbrooke Trust	101.00	110.00
Sterling Trust	....	43.00
Traders Finance A com.	.60	....
Traders Finance 7% A pfd.	28.00	....
Trusts & Guar.	30.50	35.50
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.50	99.50
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	97.00	99.00
Calgary Power 6% pfd.	79.50	83.00
Can. Light & Power c.	24.00	27.00
Can. West. Nat. Gas LH&P pfd.	79.50	82.00
Maritime Tel. & Tel. com.	6.75	....
Maritime Tel. & Tel. 7% pfd.	10.75	12.00
N.B. Telephone c.	7.75	9.00
N.S. L&P com.	25.50	....
N S. L&P 6% pf.	73.50	....

Recent London Quotations:

Brewers & Distillers	10s. 9d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	28s. 9d.
Do., 5% pref.	85s.
Internat. Holdings	$2 9-16
Nfld. Pr. & Pap. deb. stock B	92
Trust & Loan of Can.	8s. 1½d.

Listed Bond Quotations

Week Ending August 21, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	...	...	...	18	13
Asbestos	5	1942	...	21½	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84⅞	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	*4	...	...	3	3
Do., (Way. Ser.)	5½	1958	...	4	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	68	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	55	...	...	37	...
McNish	6	1948	...	...	...	...	3.00	1.00
Mex. L. & Pr.	5	1940	...	46	...	...	*73½	70½
Mtl L.H.&Pr. debs.	3	1939	...	...	45½	45½	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.78	...	95⅞	95⅞	98½	95½
Mont. Trams. A§	5	1955	6.68	78	...	...	81½	58
Do., G & Ref. B	5	1955	7.47	78	...	...	73½	...
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	78	...	...	77⅞	76½
N. S. Steel	5	1959	...	13	...	...	*62⅞	58
Ontario Steel	6	1943	...	87½	...	...	80	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	104	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	70	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101¼	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	109.00	....	....	116.25	114.25
Victory Loan	5½	1933	4.23	100.00	....	....	100.75	100.00
Do.	5½	1934	4.05	101.50	....	....	102.60	101.15
Do.	5½	1937	3.25	109.50	....	....	110.25	109.25
Do., refund	4½	1940	4.26	102.00	....	....	101.25	99.70
Do., refund	5	1943	4.44	104.50	....	....	103.37	101.85
Do., refund	4½	1944	4.47	101.00	....	....	100.50	98.75
Do., refund	4½	1946	4.38	101.00	....	....	*92.25	91.50
Do., renewal	4	1952	4.37	95.75	....	....	95.25	91.63
Conversion Loan	4½	1956	4.11	....	....	....	98.50	97.00
Do.	4½	1957	4.56	100.00	....	....	99.00	96.00
Do.	4½	1958	4.46	100.10	100.50	100.50	100.50	97.75
Do.	4½	1959	4.46	101.10	....	....	100.87	97.50
Nat. Service Loan	5	1936	3.94	103.00	....	....	103.25	101.50
Do.	5	1941	4.46	104.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.93	100.25	....	....	99.75	99.75

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Winnipeg Stock Exchange

(Transactions for week to August 18)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Aug. 18
..	..	Assoc. Brew.	50	14	14	14
..	..	Beaver Lumber c.	80	4½	4½	4½
..	..	Central Manitoba	1,000	10	9½	9½
2	6.4	Dom. Bridge	10	31	31	31
..	..	Eldorado Mines	400	3.31	3.30	3.30
..	..	God's Lake Mines	500	43	43	43
..	..	Gypsum, Lime	25	4	4	4
..	..	Inter. Nickel	25	19.50	19.50	19.50
..	..	North Star Oil	20	2.25	2.25	2.25
..	..	Pend Oreille	100	1.10	1.10	1.10
..	..	Priarie Cities Oil	10	3.00	3.00	3.00
..	..	San Antonio	466	1.05	1.02	1.02
..	..	Stadacona	1,000	4¾	4¾	4¾
..	..	United Grain Grow.	20	13	13	13
..	..	Western Grocers	1,796	22	21¾	22
..	..	Do., pref.	17	80	79	80

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	65	Pelissiers, com.	¼	¼
Beaver Fire	..	100	Reliance Grain pfd.	..	55
City Dairy 7% pf.	..	..	Sovereign Life	13½	..
City Dairy 8% pf.	..	40	Traders Bldg.	65	..
Cres. Creamery, pf.	..	35	Can Amer. Tr. shs.	..	3⅞
Nor. Mtg. part pd.	..	..	Fundamental Ser. A	..	4⅝
Northern Trust	15	..	Fundamental Ser. B	..	4½
Pelissiers, pref.	15	..	Group. Income Shs	..	4.80

*Stocks more active on other exchanges not included.

Canada Loses Out in Chinese Trade

Calgary Herald.—A Canadian business man who has just returned from a six months' trip through the Orient declares that China is being invaded by goods of all kinds except those of Canadian origin. He says that Australia and Russia are capturing the cream of the import trade into Shanghai, the great port near the mouth of the Yangtse River. Australian jams are flooding the country and at least one hundred shiploads of Australian wheat have been unloaded in that port this year.

Lack of organized and persistent salesmanship is given as the main cause of Canada's failure to share in the great market of China as she should. The port of Vancouver is only sixteen days away from this tremendous consuming market across the Pacific and there are several steamship lines handling the trade between this country and the Orient.

The heavy depreciation in Australian currency is one important factor counteracting Canada's advantage in proximity to the Far East, but undoubtedly the lack of concerted selling effort on the part of Canadian business houses is largely to blame. The Herald believes that Canadian prestige and popularity in China is suffering from the fact that the Dominion maintains a minister in Japan and not in China. Hon. Herbert Marler is expected to represent this country in China as well as in Japan, a task that no one man can fill satisfactorily in view of the strained relations between the two nations. The Chinese are said to resent the discrimination made by Ottawa in favor of Japan. In view of the magnitude of China's import trade, Canada might find it a very profitable move to establish separate Ministries in the Orient.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Wanted, Partner with $5,000. Will give ¼ Share in Gold Claims, two miles from Kirkland Lake. Vein 30 ft. wide, 700 ft. in length. High assay.

Apply to Box 160, Financial Post

Business Opportunities

New company in non-competitive field, doing business with some of the leading companies of Canada, offers outstanding possibilities to an active or inactive partner with two to five thousand dollars to invest. Box 162, The Financial Post.

GENERAL MANAGER REQUIRED for large, well-known Canadian manufacturing company maintaining a Dominion-wide sales organization. Experienced manufacturers and merchandisers are invited to forward qualifications to Box 164, The Financial Post, Toronto.

KNITTING MILL MERGER

requires $150,000 to finance for operation, expansion, sales. Textile business increasing weekly. Inquiries solicited.

POST OFFICE BOX 54, TORONTO

Money Making Ideas

IT IS A POOR BUSINESS newspaper that cannot give you one suggestion, one idea or inspiration of some sort from the recent experience of someone who has made a success of the idea.

Any idea ought to make you in the first year enough profit at least to pay the annual subscription. Succeeding years will be "velvet."

Are your executives reading their papers carefully?

Is your own secretary checking these papers for your information, drawing your attention to new ideas in the reading columns, and new suggestions in the advertising columns?

Several men at the head of the biggest industries of their kind in Canada today are doing this now.

Are you doing your part by using your personal influence to promote the corrective and constructive policies advocated by the papers edited especially in your interests?

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 186

Notice is hereby given that a dividend of Two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1933, and that the same will be payable (less five per cent Dominion of Canada tax in the case of non-residents of Canada) at the Bank and its Branches on and after Friday, 1st September next, to shareholders of record at the close of business on the 31st July, 1933. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 21st July, 1933.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 2nd day of October, 1933, to shareholders of record of the 20th September, 1933.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 17th August, 1933.

Belding-Corticelli

DIVIDEND No. 75

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of September to Shareholders of record at the close of business the 31st day of August, 1933.

By Order of the Board.

D. F. POLLOCK,
Secretary.

Lake Shore Mines, Limited

Limited

(No Personal Liability)

DIVIDEND No. 54

Notice is hereby given that a quarterly dividend of fifty per cent, on the issued capital stock of the Company, will be paid on the fifteenth day of September, 1933, to shareholders of record at the close of business on the first day of September, 1933.

By Order of the Board.

KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, August 15th, 1933.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of one and three quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the Preferred Stock of the Company, and payable to all shareholders of record August 31st, 1933, and that cheques will be mailed to them on the 15th day of September, 1933.

By Order of the Board,

HUGH A. WILSON.

DIVIDEND NUMBER 244
EXTRA DIVIDEND NUMBER 6

Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1%, and an extra dividend of like amount, making 2% in all, has been declared on the Capital Stock of the Company, payable on the 9th day of September, 1933, on which date cheques will be mailed to shareholders of record at the close of business on the 25th day of August, 1933.

DATED the 18th day of August, 1933.

I. McIVOR,
Assistant-Treasurer.

Imperial Tobacco Company of Canada Limited

NOTICE IS HEREBY GIVEN that an Interim Dividend (No. 104) of one and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared, payable on Saturday, the 30th day of September, 1933, to Shareholders of record at the close of business on Wednesday, the 30th day of August, 1933.

That a Semi-Annual Dividend (No. 43) of three per cent Sterling (3%) on the paid-up Preference Shares of the Company has been declared, payable on Saturday, the 30th day of September, 1933, to Shareholders of record at the close of business on Wednesday, the 30th day of August, 1933.

By Order of the Board.

F. P. L. LANE,
Secretary.

Montreal, Que., 18th August, 1933.

DIVIDEND NOTICES

International Petroleum Company, Limited

Notice of Dividend No. 38

NOTICE is hereby given that a dividend of 28c. Canadian Currency per share has been declared, and that the same will be payable on or after the 15th day of Sept., 1933, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 38 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada

The payment to Shareholders of record at the close of business on the 31st day of Aug., 1933, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of Sept., 1933.

The transfer books will be closed from the 1st day of Sept. to the 15th day of Sept., 1933, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof, Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
16th August, 1933.

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Board of Trustees of The Roman Catholic Separate Schools for the Township of Sandwich West as to School Section No. 8, has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 23rd day of June, 1933, and from and after the first publication of this notice in the Ontario Gazette all actions or proceedings against the said Board are stayed and thereafter no action or other proceedings against the said Board shall be commenced or continued nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 23rd day of June, A.D. 1933.

H. C. SMALL,
Secretary of The Ontario Municipal Board.

The Ontario Municipal Board

Notice is hereby given that the Municipality of Dysart has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an order of the Ontario Municipal Board bearing date the 8th day of August, 1933, and from and after the first publication of this Notice in the "Ontario Gazette" all actions or proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a Writ or Execution against it without leave of the Ontario Municipal Board.

Dated this 8th day of August, A. D., 1933.

H. C. SMALL,
Secretary of the Ontario Municipal Board.

Sylvanite Gold Mines, Ltd.

(No Personal Liability)

SPECIAL INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN that a special interim dividend of two and one-half per cent. (2½%) on the outstanding capital stock of the company has been declared by the Directors of the Company payable September 30th, 1933, in United States funds, to shareholders of record at the close of business August 31st, 1933.

By order of the Board.

W. S. WALTON,
Secretary.

Toronto, August 22, 1933.

GOD'S LAKE GOLD REPORT INDICATES FIND IMPORTANT

Diamond Drilling Indicates 900 ft. Ore to Depth of 100 ft.

SINK 500 FT. SHAFT

Plan Taking in Mining Plant Over Winter Roads to Probe Akers Claims at Depth

A financial statement dated July 1, 1933, and an interim report shows God's Lake Gold Mines to be in a healthy state financially with current assets of $91,056 and current liabilities of $101, while developments at the company's pioneer find in the God's Lake area of Northern Manitoba are of an exceedingly interesting nature.

In all the company now controls some 142 claims including the Coma, Reno, Elk, Rand, Gold Standard, Greenstone, Akers, M.S., Kipp, Manitou and Don groups of claims. Before the ice break-up four diamond drill holes were put down on "A" zone on the Jowsey vein on the Reno group which gave the following results:

Hole	Width	Oz. Gold
"A" Zone Drilling		
1	5 ft.	0.26
2	11	0.02
3	10.5	0.02
4	10.3	0.11
"B" Zone Drilling		
1	6 ft.	0.06
2	5.7	0.09

Work Centres on Akers

The principal exploration has been on the Akers group of claims where a discovery was made last fall. This discovery was trenched for some 1,800 ft. This ore occurrence was surface sampled which indicated three narrow low grade ore shoots as follows:

Ore shoot	Length	Width	Oz. Gold
West	123 ft.	4 ft.	0.29
Centre	384 ft.	3.3 ft.	0.30
East	67 ft.	3.4 ft.	0.27

Diamond drilling has been under way under the direction of Eldon L. Brown, the company's engineer, who comments on developments as follows:

"In all three cases there are possibilities of extending these shoots, as the surface is obscured by muskeg on one or both ends of each shoot.

"To date 21 diamond drill holes have been drilled to cut this showing at an approximate vertical depth of 100 ft., and one hole to cut it at a vertical depth of over 200 ft. The drilling has been confined to the east ore shoot and to the easterly part of the centre ore shoot.

Average Width 4.22 ft.

"In drilling on the east ore shoot, with the holes spaced at 50 ft. intervals, has indicated that at a depth of approximately 100 ft. the ore shoot has a length of 500 ft., an average width of 4.22 ft. and an average grade of 0.59 ounce. The shoot appears to die out at the east end, but the west end cuts off abruptly at a fault. Further work will be required to determine whether this fault is pre- or post-ore. Hole No. 28 was drilled to cut this shoot at a depth of about 275 ft. Owing to a local flattening of the dip from 83 deg. to 67 deg., the hole went through the ore zone at a depth of a little over 200 ft. vertical. The intersection indicated a horizontal width of 4.77 ft. averaging 0.60 ounce.

"To date the drilling on the centre ore shoot, at a vertical depth of approximately 100 ft., has indicated a length of 400 ft., with an average width of 6.20 ft. and an average grade of 0.77 ounce. Neither end of this ore shoot has yet been reached.

Ore Length 900 ft.

"The development on the Akers group has made this the most important part of the property at the present time. The drilling to date has indicated a total length of 900 feet of ore, at a depth of 100 ft., with only the east ore shoot and part of the centre ore shoot having been drilled. Drilling the remainder of the centre ore shoot and the west ore shoot should add very considerably to this length. There are possibilities of finding other ore shoots. On the whole the drilling results on the Akers group undoubtedly justify underground work this coming winter."

Mr. Brown recommends the continuing of drilling on the Akers claims with at least two holes drilled to a depth of 500 ft. The sinking of a three-compartment shaft is recommended to a depth of 500 ft. and lateral work on three levels to check diamond drilling. It is also suggested that a steam mining plant be taken in this winter over a winter road.

The Reno and Elk claims are recommended for drilling this coming winter.

PAYMASTER MINES DEBT BURDEN PAID

Long Struggle to Clear Properties Accomplished Work to Start

Shareholders of Paymaster Consolidated Mines are in receipt of reports, financial statements and notices calling the annual general meeting on September 18, in Toronto.

The long struggle to raise funds to pay off the company's property indebtedness has been successful and the balance sheet as at June 30, 1933, shows current assets of $40,831 and current liabilities of $2,750.

Over the signature of E. H. Walker, vice-president of the company, attention of shareholders is directed to the satisfactory financial position of the company and they are told of recently completed negotiations for further financing planned to bring the company's property, already equipped with plants and complete production facilities, into operation. The new financial agreement calls for the underwriting of the company's shares and no more treasury stock is to be offered.

Shares of the company are already listed on the Standard Stock & Mining Exchange and application for calling the stock for trading is now being made and it is expected that by September 1 full trading privileges will be accorded.

The company's property is to be dewatered at once subsequent to the resumption of mining operations on the West Dome Lake section of the holdings, immediately adjoining Dome Mines.

Base Metals Mining Corp. Operating to Full Capacity

Base Metals Mining Corp. has resumed the operation of its lead-zinc concentrator at Field, B.C. One ball mill was started two weeks ago and the second was started on August 14. Monthly treatment of ore will be about 9,000 tons as compared with 8,000 tons during initial operations, which suspended in October, 1930.

The company's product—lead and zinc concentrate—is being marketed in Europe by the British Metals Corp.

Aldermac Mines to Resume Milling on 300-Ton Basis

Aldermac Mines is dewatering its pyrite in Boischatel township, Quebec, preparatory to resuming milling operations on a 300 ton daily basis, to fill United States orders for pyrite. Later it is expected to operate the mill to its full capacity of 500 tons daily.

Mining Stock Quotations

Week Ending August 21.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Aug. 14 (or last)	High for week	Low for week	Close Aug. 21
1	.05	.03	Abana	.....	.03	.....	.....	.....
1	.02½	.00½	Aconda	4,500	.01¾	.01½	.01½	.01½
No	.30	.03	Aldermac	4,000	.23	.23	.21	.22
1	.03¾	.01	Alexandria	17,000	.02½	.02½	.02	.02½
No	.06	.02	Algoma	41,850	.03½	.03½	.03	.03½
1	.01¾	.00¼	Algonquin	6,000	.00¾	.00¾	.00½	.00¾
1	.06	.00½	Amity C.	141,150	.05	.05	.04½	.04½
No	.74	.10	Amulet	90,150	.71	.75	.71	.71
1	.01	.00¼	Apex	.....	.00½	.....	.....	.....
1	.05½	.02	Area	12,650	.04½	.04½	.04	.04½
No	.04½	.01¾	Arno	56,500	.03	.03½	.02½	.02½
1	1.36	.74	Ashley	750	1.00	1.06	1.00	1.00
1	.14	.02½	Bagamac	13,600	.05	.04½	.04	.04
1	.03	.00¾	Baldwin	6,000	.01½	.01½	.01	.01
1	.20	.08	Barry Hollinger	27,063	.09	.09	.08	.08½
1	2.45	.75	Base Metals	5,850	1.90	1.90	1.80	1.90
No	1.00	.98	Beattie	.....	.98	.....	.....	.....
1	.40½	.08	Big Missouri	21,650	.19½	.20	.17	.19
1	.27½	.08½	Bobjo	40,350	.20½	.22	.20	.20½
No	10.25	2.28	Bralorne	2,345	9.50	9.75	9.00	9.70
1	.25	.15	Brett Trethewey	6,000	.24	.24	.23	.24
1	.07½	.01½	Brownlee	79,200	.04½	.04½	.03½	.04½
1	.03	.00½	Buckingham	61,200	.01½	.01½	.01½	.01½
No	.05½	.01½	Buffalo Can.	17,000	.05	.05½	.04½	.05½
5	19.00	15.60	Bulolo	150	16.35	17.50	16.25	17.50
No	.10	.01½	Bunker Hill	164,400	.08½	.10	.08	.09½
5s	1.25	.60	B'Wana McKubwa	.....	1.25	.....	.....	.....
No	.05	.02½	Canam Metals	.....	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	27,050	.08	.09	.08	.08
	.42	.32	Can. Malartic	4,850	.38	.40	.38	.40
1	.02	.00¾	Capital Rouyn	22,500	.01½	.01½	.01	.01½
1	.03½	.01	Cartier Malartic	2,000	.01½	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	7,500	.46	.45	.42	.42
1	.18	.05	Cen. Manitoba	8,450	.10	.09½	.08½	.08½
1	.40	.17	Cen. Patricia	26,632	.36	.39	.36	.39
No	.20	.03	Chibougamau Pros.	111,350	.13	.14	.11	.12
No	.12	.03	Church. M. & Mill	35,400	.12	.11	.09	.10
No	.04	.00¾	Clericy	45,500	.02½	.02½	.02	.02
1	.03	.01	Clifton Cons.	4,500	.02	.01½	.01½	.01½
5	9.00	1.65	Coast Copper	700	5.00	5.15	5.00	5.00
1	.15	.00½	Cobalt Contact	364,400	.09	.09	.06	.07½
1	.33	.05	Columario	32,900	.17	.18	.16	.17½
5	1.90	.75	Coniagas	250	1.25	1.05	1.05	1.05
No	.60	.20	Coniaurum	900	.53	.57	.55	.57
25	142.00	54.00	Cons. Smelters	1,779	130.25	131.50	127.50	130.00
No	39.50	13.60	Dome Mines	10,460	33.00	34.00	31.00	33.25
No	.15½	.03½	Dom. Explorers	20,000	.07	.07	.07	.07
1	.02½	.00½	Dominion Kirk	19,550	.01½	.02	.01½	.01½
1	.04	.01	Don Rouyn	20,800	.02	.02½	.02	.02
1	.04½	.02	Duparquet	1,000	.02½	.02	.02	.02
1	8.10	1.16	Eldorado	116,755	3.85	4.00	3.15	3.75
No	4.55	1.80	Falconbridge	7,690	3.90	4.00	3.70	3.86
1	.06	.01	Federal	19,100	.02½	.02½	.01	.01½
No	.07	.01	Gilbec	14,200	.04	.04½	.03½	.03½
1	.17	.04	Goldale	16,400	.13½	.13	.11½	.11½
10	.29	.10	Goldfield	29,800	.25½	.26	.16½	.19
	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.12	.02	Goodfish	17,500	.08½	.09	.08½	.09
1	.04	.01	Graham	2,000	.02½	.02½	.02	.02
1	1.95	.75	Granada	22,470	.86	.89	.75	.89
1	.18	.06	Grozelle	.....	.13½	.....	.....	.....
1	.42	.24	Halcrow Swayze	5,650	.41½	.42	.41½	.42
1	.06	.02	Harker	7,500	.04	.03½	.03½	.03½
1	.01½	.00½	Hilltop	13,500	.01½	.01	.01	.01
5	10.90	6.00	Hollinger	11,292	9.75	9.85	9.65	9.80
1	1.00	.61	Howey Gold	33,325	.85½	.86	.84½	.86
No	12.25	3.10	Hudson Bay	1,620	10.10	10.25	9.50	10.25
No	.55	.25	Huronian	520	.50	.49	.45	.45
1	12.00	9.00	Inter. Mining	.....	9.00	.....	.....	.....
	4.00	3.00	Do., Pur. Warr.	.....	3.00	.....	.....	.....
No	23.25	8.00	Int. Nickel	76,798	19.75	21.50	19.25	21.10
1	.03½	.00½	Jackson Manion	197,200	.02½	.03½	.02½	.03½
1	.70	.20	Keeley	2,700	.55	.55	.50	.53
1	.02	.00½	Keora Mines	4,000	.01	.01	.01	.01
1	.76	.48	Kirk. Hud. Bay	2,100	.60	.55	.51	.51
1	.02¾	.00½	Kirk. Hunton	23,500	.01	.01½	.00¾	.01½
1	.52	.30	Kirkland Lake	26,350	.35	.35	.31	.33½
1	.04	.01½	Kirkland Premier	4,128	.03	.03	.02½	.02½
1	.52	.12	Kirk. Townsite	22,100	.30	.34	.27	.32
20c	.02¾	.00½	Koot. Florence	14,000	.01	.01½	.01	.01½
1	.35	.15	Lakeland	11,400	.28	.29	.27	.27
No	.32	.07	Lake Maron	232,100	.21	.22	.14	.17
1	47.60	30.75	Lake Shore	7,825	44.00	45.00	43.90	45.00
1	.18	.02½	Lebel Oro	126,600	.14	.18	.14	.18
No	.29	.11	Lee Gold	61,250	.12½	.14½	.11	.14½
1	.80	.20	Macassa	210,907	.68	.80	.67½	.79
1	.23	.05	Malartic	.....	.17	.....	.....	.....
1	.07½	.01	Malrobic	40,200	.06	.06	.05	.05½
No	.17	.02	Mandy	2,100	.09½	.09½	.09½	.09½
No	.07	.01	Manitoba Basin	60,400	.03½	.03½	.02½	.02½
5	38.75	21.20	McIntyre	1,955	36.00	35.10	33.50	33.50
1	.51	.30	McKinley	200	.51	.51	.50	.50
No	.08	.02½	McLeod River	16,500	.02½	.02½	.02½	.02½
1	.35	.03	McMillan	21,250	.20	.25	.19	.25
No	1.15	.46	McWatters	24,550	.95	1.00	.93	.97
1	.84	.15	McVittie	67,522	.80	.82	.75	.78
5	1.25	.06	Mentor Exp. & Dev.	.....	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	3,305	2.01	2.05	1.90	2.00
1	.05	.01½	Moffatt Hall	47,600	.03	.03½	.02½	.02½
1	.12½	.02	Moneta	2,500	.09	.08	.07	.07
1	.00¾	.00½	Montreal Rouyn	6,500	.00½	.00½	.00½	.00½
1	.40	.05	Moss	101,100	.06	.06	.05	.05½
1	.03½	.00¾	Murphy	8,000	.02	.02	.01½	.01½
No	.06½	.02½	Newbec	11,500	.03½	.03½	.02½	.03
1	.06½	.01½	Night-Hawk Penn.	.....	.04½	.....	.....	.....
5	3.50	1.15	Nipissing	9,631	2.10	2.08	1.95	2.10
No	38.25	19.75	Noranda	19,449	34.00	34.15	33.00	33.90
No	.52	.32½	Nor. Canada	900	.38	.37	.35½	.37
No	.40	.19½	Normont-Gold	8,275	.39	.40	.38	.40
1	.34	.05	Osisko	2,500	.15	.15	.14	.15
1	.28½	.11	Parkhill	4,200	.21½	.22	.21	.21
1	.03½	.01½	Pawnee Kirk.	3,500	.01½	.01½	.01½	.01½
1	1.80	.59	Pend Oreille	28,640	1.15	1.20	1.05	1.10
1	.04½	.00½	Peterson Cobalt	6,500	.02½	.02½	.02	.02
1	16.25	4.30	Pioneer Gold B. C	5,300	13.00	13.60	12.00	12.65
1	.03	.00½	Porcupine Crown	3,000	.01½	.02	.02	.02
1	.01½	.00½	Potter Deal	.....	.01	.....	.....	.....
1	1.60	.55	Premier Gold	4,600	1.20	1.25	1.18	1.18
1	.03½	.00½	Preston E. Dome	.....	.02	.....	.....	.....
No	1.75	.68	Prospectors Air's.	1,000	1.20	1.15	1.10	1.10
No	.15	.03	Quemont	.....	.00¾	.....	.....	.....
1	.50	.35	Read Authier	8,650	.45	.43	.35	.35
1	2.75	.60	Reno	86,605	1.60	1.59	1.30	1.50
1	.03½	.00½	Ribago	35,500	.01½	.01½	.01½	.01½
1	.03	.01½	Ritchie	5,500	.02	.02½	.02	.02
1	.04½	.01	Robb Montbray	11,000	.03	.02½	.02½	.02½
1	1.25	.75	San Antonio	11,664	1.05	1.08	1.01	1.02
1	.07	.02	Seven Troughs	.....	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	70,187	1.41	1.43	1.26	1.33
1	1.78	1.25	Siscoe	68,445	1.55	1.56	1.50	1.56
1	.10½	.02½	South Keora	1,000	.04½	.04½	.04½	.04½
No	.07½	.01½	Stadacona	128,200	.05	.05½	.04½	.04½
1	.60	.07	St. Anthony	6,800	.31	.32	.30	.32
No	2.21	.60	Sudbury Basin	9,250	1.59	1.60	1.45	1.56
1	.15	.00½	Sudbury Contact	14,500	.10	.10	.09	.09
1	.02	.00½	Sudbury Mines	19,700	.02	.01½	.01½	.01
No	.25	.18½	Sudbury Nickel	.....	.25	.....	.....	.....
1	.38½	.19	Sullivan	26,450	.24	.22	.17	.20
1	1.44	.72	Sylvanite	25,875	1.05	1.08	1.01	1.07
1	.03½	.01½	Tashota	.....	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	30,565	6.15	6.25	6.00	6.20
1	.14½	.03	Thom. Cadillac	13,500	.14	.14½	.13	.13½
1	.61	.10	Towagmac	8,500	.46	.45	.40	.45
1	3.00	1.00	Treadwell	815	1.60	1.70	1.60	1.61
1	.17	.04	United Kirkland	2,000	.10	.10	.10	.10
No	.06½	.01½	Vacuum Gas	7,500	.02	.02½	.02	.02½
No	2.40	.30	Venezuela	.....	2.35	.....	.....	.....
No	1.50	.80	Ventures	50,365	1.03	1.09	.93	1.09
1	.22	.03	Vickers	15,000	.03	.03	.03	.03
1	.75	.20	Vipond	10,520	.55	.55	.50	.54
No	2.55	.35	Waite Ackerman	18,677	2.40	2.55	2.40	2.40
50c	.75	.33	Wayside	112,080	.52	.53	.47	.52
1	.08	.02½	White Lake	2,000	.05	.05	.04½	.04½
1	.28	.02	Wiltsey Coughlan	12,900	.19	.18½	.16½	.17
1	.27	.07	Wood Kirkland	10,500	.20	.20	.17	.19½
No	7.70	3.73	Wright-Hargreaves	15,525	7.15	7.25	7.00	7.20
			OIL STOCKS					
No	.27	.07½	Acme Gas & Oil	377,651	.21½	.27	.22	.27
1	.04½	.04½	Admiral	.....	.04½	.....	.....	.....
1	1.60	.55	Ajax	8,325	1.25	1.34	1.16	1.30
1	.68	.05	Alta. Pacific	4,000	.26	.26	.25	.26
1	.19	.05	Amalgamated	31,600	.16	.19	.15	.19
No	1.10	.04½	Associated	16,025	.35	.38	.33	.35
No	.26	.01	Baltac	8,700	.08	.10	.08	.10
No	2.50	.25	Calgary & Ed.	2,860	1.48	1.55	1.40	1.50
1	.45	.08	Calmont	6,500	.15	.15	.13	.15
1	.25	.03½	Common. Pete	2,930	.13	.12	.12	.12
No	2.50	.11	Dalhousie	10,535	.70	.75	.60	.75
No	.19	.02	Devenish	1,700	.15	.14	.10	.12
No	.55	.05½	East Crest	20,000	.25	.35	.23	.29
No	.36	.23	Erie Gas	2,300	.28	.28	.23	.28
No	.02	.00½	Fabyan Pete	2,000	.01½	.01½	.01½	.01½
No	1.75	.06	Foothills	400	.50	.60	.50	.60
No	.28	.04	Freehold	8,400	.14	.13	.11	.11
No	.10	.01½	Hargal	300	.05	.10	.10	.10
No	4.05	.30	Home	27,560	2.95	2.15	1.65	2.15
No	.05	.05	Homestead	500	.....	.05	.05	.05
1	.25	.10	Homestead O. & G.	6,300	.15½	.14½	.14	.14½
No	.47	.10	Lowery	100	.35	.35	.35	.35
No	.03½	.03½	Madison	4,000	.03½	.03½	.03½	.03½
No	.20	.05½	Marjon Oil	2,015	.18	.17	.15½	.16
1	1.85	.14	Mayland	428	1.22	1.25	1.15	1.20
No	.10	.03½	McD. Segur Ex.	6,700	.08	.08½	.07½	.08
	.08½	.05½	McD. Segur N.	.....	.08½	.....	.....	.....
1	1.10	.25	McLeod	1,666	.50	.43	.30	.30
No	.30	.07½	Mercury	8,200	.16	.17	.15	.15
No	.45	.11	Merland	1,200	.40	.37	.30	.30
	.01½	.01	Mid West	.....	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	.....	.15	.....	.....	.....
1	.50	.12	Model	3,000	.30	.28	.26	.26
5	.30	.09	Nordon	10,700	.14	.14½	.12½	.14
No	.08	.02½	Oil Selections	27,000	.06½	.06½	.06	.06
No	.20	.04½	Okalta	2,600	.10½	.10	.09	.10
No	.61	.20	Olga Gas & Oil	20,100	.45½	.46	.39	.40
5	.03½	.01	Penn. Pete	.....	.01½	.....	.....	.....
1	.25	.13	Petrol Oil & Gas	5,000	.20	.18	.16	.17
No	.02	.02	Richfield	.....	.02	.....	.....	.....
No	23.00	5.75	Royalite	740	15.00	15.25	14.00	15.00
1	.25	.05	Sarnia Oil	2,300	.15½	.17	.12½	.17
No	.45	.04	South West Pete.	20	.25	.30	.30	.30
1	.39	.06	Spooner	1,500	.25	.25	.25	.25
No	.75	.12	Sterling Pacific	600	.50	.40	.35	.40
	.43½	.43	Trinidad Oil	.....	.43½	.....	.....	.....
No	.25	.03	United	9,300	.10	.10½	.10	.10
No	.25	.06	Vanalta	900	.15	.15	.14	.14
No	.08	.00½	Wainwell	20,000	.03	.03	.02½	.02½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to August 16.)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Aug. 9 (or last)	High for week	Low for week	Close Aug. 16
25c	.03	.00¾	Bayview	5,000	.01½	.01½	.01	.01
20c	.10½	.02½	Beaver Silver	8,050	.08	.08	.07½	.07½
25c	.17	.03½	Big Slide	12,000	.03½	.03½	.03½	.03½
25c	.06½	.02	Bluebird	1,000	.02½	.02½	.02½	.02½
No	10.20	1.38	Bralorne	7,317	9.50	9.60	9.00	9.00
1	.57	.05	Bridge River Cons.	17,700	.26	.31	.27	.29
50c	.71	.35	Bridge River Exp.	14,900	.49	.46	.41	.43
100	89.00	88.50	B. C. Electric, pfd.	.....	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	.....	1.15	.....	.....	.....
No	.82	.52	Burns Mountain	.....	.55	.....	.....	.....
1	4.15	1.50	Cariboo Gold	23,405	2.80	3.30	2.80	3.00
No	12.90	5.60	Coast Breweries	490	10.75	11.00	10.60	11.00
25c	.02½	.00½	Cork Province	.....	.01	.....	.....	.....
1	.05	.02½	Cotton Belt	.....	.05	.....	.....	.....
1	.08	.00½	Dalhousie Mines	2,000	.02½	.03½	.03	.03
1	.21½	.02	Dunwell	1,700	.12½	.15	.12	.15
1	1.00	.28	George Copper	460	.35	.43	.30	.35
50c	.12	.04	Geo. Enterprise	.....	.04	.....	.....	.....
1	.09½	.02	Georgia River	20,600	.05½	.06	.05	.05
1	.60	.16	Golconda	400	.35	.36	.35	.35
50c	1.25	.60	Gold Belt	4,658	.65	.65	.65	.65
1	1.50	.95	Golden Belle	.....	1.50	.....	.....	.....
50c	.11	.03½	Grandview	15,900	.05½	.05½	.04½	.04½
1	.01½	.00½	Independence	.....	.01	.....	.....	.....
1	.03½	.02	Indian Mines	1,000	.02½	.02½	.02½	.02½
1	.17	.08½	Inter. Coal	.....	.14	.....	.....	.....
1	.36	.36	Jack Waite	.....	.36	.....	.....	.....
50c	.57	.30	Kootenay Belle	1,700	.30	.32	.30	.30
25c	.04	.00½	Kootenay King	.....	.01½	.....	.....	.....
25c	.01	.00½	L. & L.	.....	.00½	.....	.....	.....
1	.01	.00½	Lakeview	.....	.....	.00½	.....	.....
10c	.06½	.01	Lucky Jim	10,300	.05	.05½	.04	.04½
50c	.01½	.00½	Marmot Metals	.....	.00½	.....	.....	.....
10c	1.05	.20	Meridian Mines	53,800	.38	.42	.39½	.40
5c	.13	.04½	Metaline Metals	1,000	.06	.09	.04½	.09
	.01	.00½	Mohawk	.....	.00½	.....	.....	.....
	.17	.12	Mogul	12,000	.13	.15	.13	.13
50c	.41	.18	Morning Star	21,700	.22	.22½	.21	.20½
1	.06	.00½	Morton Woolsey	250	.02½	.03	.03	.03
1	.29	.05½	Native Sons	61,300	.06½	.10½	.05½	.10½
50c	.10½	.00½	National Silver	55,850	.05½	.05½	.04½	.05
50c	.89	.74	Nicola	11,500	.87	.87	.85	.86
50c	.21½	.02½	Noble Five	7,300	.11	.12	.11	.11
50c	.01	.00½	Oregon Copper	.....	.01	.....	.....	.....
1	.25	.20	Pavilion	.....	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	.....	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	600	12.25	12.75	12.50	12.75
1	.11	.10	Planet	.....	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	2,000	.09	.09½	.09	.09
No	.04	.00½	Premier Border	43,000	.02½	.02½	.02	.02
1	.10	.02	Quatsino Copper	.....	.03	.....	.....	.....
No	.42	.10	Reeves McDonald	.....	.19	.....	.....	.....
1	.30	.25	Reliance	.....	.27	.....	.....	.....
1	2.70	.60	Reno Gold	41,685	1.50	1.78	1.35	1.35
1	.22	.04	Reward Mining	11,000	.11	.12½	.11	.12
1	.10	.01	Rufus Argenta	10,750	.05½	.06½	.05½	.05½
1	.07	.02	Ruth Hope	.....	.02	.....	.....	.....
1	.65	.40	Sally Mines	1,850	.45	.45	.40	.40
1	.15	.03½	Silverado	.....	.10	.....	.....	.....
25c	.09	.01	Silver Crest	5,200	.03½	.04	.03½	.03½
20c	.03½	.01½	Silversmith	.....	.03½	.....	.....	.....
50c	.04½	.01	Snowflake	14,000	.01½	.02	.01½	.01½
25c	.66	.66	Sonora	.....	.06	.....	.....	.....
1	.61	.40	Standard Gold	.....	.40	.....	.....	.....
1	.50	.25	Sunloch	200	.28	.28	.28	.28
5	.40	.30	Toric	.....	.40	.....	.....	.....
50c	.03½	.02	Topley Richfield	.....	.02	.....	.....	.....
50c	.70	.08	Wayside	50,550	.52	.57	.47	.48
25c	.12	.01½	Waverly Tangier	101,700	.05½	.05½	.04½	.04½
20c	.05	.01½	Wellington	.....	.02	.....	.....	.....
	.36	.25½	White Eagle	10,400	.27½	.29	.27	.27
1	.18	.03	Whitewater	9,500	.07½	.07½	.07	.07
1	.48	.40	Yankee Belle	.....	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	8c.	6.15
Coniagas‡	12½c	.....
Coniaurum†	3c.	.....
Cons. Smelters*	10%	.....
Dome Mines	$1+55c.	4.66
Falconbridge	20c.	.....
Goldfield Cons.‡	5c.	.....
Hollinger	65c.+10c.	7.65
Howe Sound	40c.	.....
Lake Shore	$2+$1	6.66
McIntyre	$1+75c.	5.22
McLeod Oils‡	5c.	.....
Merland Oils‡	5c.	.....
Noranda‡	50c.	.....
Petrol Oil	*2c.	.....
Premier	12c.	10.17
Pioneer, B.C.	60c.	4.74
Royalite	*1.50	.....
Siscoe	12c.	7.70
Sterling Pacific Oil‡	3c.	.....
Sylvanite	4+1c.	4.67
Teck-Hughes	60c.	9.67
Wright-Har.	20c.	2.66

*Stock. ‡Interim. †Initial. *Paid in 1932.

At the Mines

Animikie Mines.—Production from the company's property, southwest of Port Arthur, is being treated in the small Jack Nutt customs mill operated in the corner of an elevator at Fort William, Ontario.

* * *

Beaver Silver Mines.—The shipment of the first carload of ore from the company's property on Wallace Mountain, near Beaverdell, B.C., is to be made before the end of August.

* * *

B. R. X. Gold Mines.—Drifting on the California vein at the company's property adjacent to the Bralorne Mines in the Bridge River area of B. C., is reported to be in a full face of $5 ore, at approximately 360 feet from the main adit on the fifth level.

* * *

Buffalo Canadian Gold Mines.—Purchase is announced of two groups, comprising 18 claims, in Swayze township. One group of 12 claims is three-quarters of a mile south of Brett Lake and the second group of six claims in the same general area adjoins the Manitoba Basin property. An exploration programme on both properties is planned to start at once. The company is headed by James Savage, of Buffalo, and has an outstanding capitalization of 1,600,000 no par value shares.

* * *

Bunker Hill Extension Mines. — Shareholders' meeting in Toronto on August 18 approved of a plan for the distribution of the Toburn Gold Mines shares held by the company. The basis of the disposition is to be one Toburn share for each ten shares of Bunker Hill Extension Mines held. The personnel of the directorate was changed with W. J. Boland retaining the presidency. Other directors are J. H. Fredericks, M. E. Young, W. R. Sweeney, G. B. Powell, Allan Watt, all of Toronto, and Alex. Macdonald of Brantford. W. B. McHenry is secretary.

* * *

Cariboo Gold Quartz. — The shipment of the fourth gold brick, realizing some $25,000, brings the value of the production since commencement of operations in January of this year to $105,000.

* * *

Lakeland Gold Mines—Lateral work on the 575-ft. level has been started and a number of flat diamond drill holes are being drilled from the 825-ft. level. Mill construction is up to schedule. Foundations are being placed and many mill parts are already delivered.

* * *

Little Long Lac Gold Mines. — The election to the directorate of Alphonse A. Pare, consulting engineer for N. A. Timmins Inc., indicates the interest of the Timmins group in the financial affairs of the company. Latest reports are to the effect that the much heralded publicity given the Little Long Lac operations is somewhat premature as is the talk of mill construction this fall.

* * *

Reno Gold Mines.—Vancouver despatch attributes heavy stock selling and market depression to one source—a dissatisfied shareholder. Earnings in the last two months are principally from retreating tailings from old operations and from development ore. Five faces are developing ore for treatment next month.

* * *

Silver Valley Mines.—Faith in the recovery of silver prices and the potentialities of the Gowganda district of Ontario is evidenced by an offering of shares at 20 cents each to develop further an old prospect, which attracted attention years ago. Two-thirds of the authorized capitalization has been issued to the vendors. It is headed by Frank O'Hearn, Toronto, as president.

* * *

Thompson-Cadillac Mines.—Financing is reported arranged with Canadian Enterprises, Ltd., headed by Sir Thomas Tait, permitting the resumption of exploration. The property adjoins the O'Brien-Cadillac now in production. Previous development work to a depth of 600 feet showed 8,000 tons between the surface and the 150-ft. level and 27,000 tons between the 150 and 300-ft. levels. The grade of ore averaged better than $8 per ton. Representation on the board is to be given the new financial sponsors.

* * *

Wendigo Gold Mines—Reports from the Lake of the Woods area state a large scale development programme is planned at this old property. Operated many years ago, it was under option last year to Ribago Mines, but the option was dropped before a conclusive test was given.

Royalite to Pay Dividend of 50 Cents Per Share

Royalite Oil Co. has declared its tenth interim dividend, and will disburse 50 cents per share on September 15, 1933, to shareholders of record August 15.

This brings the total dividend disbursements of the company to $6.25 per share since dividends were inaugurated in 1923. The last interim dividend was paid on December 15, 1932.

VISION OF CANADA IN 2000 A.D. PRESENTED BY TORONTO WRITER

(Continued from page 9)

Socialism's rise in Canada. He demonstrates that Canada is already one of the most socialist of states and predicts that "with Canada, the world will see the first complete example of a socialistic democracy, under a system of State Capitalism." But then, by its very title, the book is visionary.

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"Uncontrolled trade is, then, the 19th century enemy from which we have to rid our economic system."

"The supply-and-demand means of price regulation is the inspiration of a Shylock."

The publishers are the Ontario Publishing Co., Toronto, but sale is through Doubleday, Doran and Gundy, 480 University Ave., Toronto. The price is $2.50.

"Canadian Mining Manual"

"Canadian Mining Manual," first published in 1891, has made its appearance in a new volume chronicling the progress in the methods and practice of the mining industry for 1933. Particular attention is paid to providing the mine operator with valuable reference data on the latest mechanical practices and a very complete buyers' index is appended to facilitate the purchasers of this class of equipment.

Chapters are devoted to mining operations in the various provinces and statistical summaries on production accompany these chapters.

A book of some 200 pages printed, well illustrated and bound in a substantial and attractive manner, it provides an invaluable aid to the practical mining man.

"Canadian Mining Manual" is published by the National Business Publications Ltd., Gardenvale, Que., at $3 per copy.

Silver Market Steady China Inclined to Buy

The quiet steady tone to silver prices, according to a London despatch, has shown only slight variation. Continental selling continued, but the United States was less disposed to offer and gave support on occasion. The Indian bazaars and speculators have made resales, but have also bought and at the present level of prices China has been inclined to buy. The market is said to be thoroughly steady in appearance, but the tendency is still uncertain.

Beardmore Property Aggressively Probed

At the old Beardmore property, adjacent to Beardmore Station on the Canadian National Railways, 132 miles northeast of Port Arthur, an aggressive exploration programme is being conducted by the Northern Empire Mining Co., a Canadian subsidiary of the Newmont Mining Corp. of New York. Some 50 men are at work under the direction of R. J. Hendrick and shaft sinking is continuing with present equipment to an immediate objective of 300 ft. Drifting is also being extended on the first level. By September 1 it is expected that hydro-electric power from Nipigon, 60 miles distance, will be available at the property when operations will be converted over to entire electric power. A new electric hoist and new motor driven compressing equipment are installed. With the new facilities the shaft will then be deepened to an immediate objective of 600 ft. and the first lateral work will be conducted on the 600-ft. horizon.

The thorough and intelligent development programme now in hand is expected rapidly to prove the merits of the property which has had sporadic development since 1926.

Review Your Holdings

Now is an opportune time to check over your list of mining securities with the idea of strengthening your holdings, having regard for current developments. You will find our Statistical Department willing to analyze your list and make constructive suggestions along these lines.

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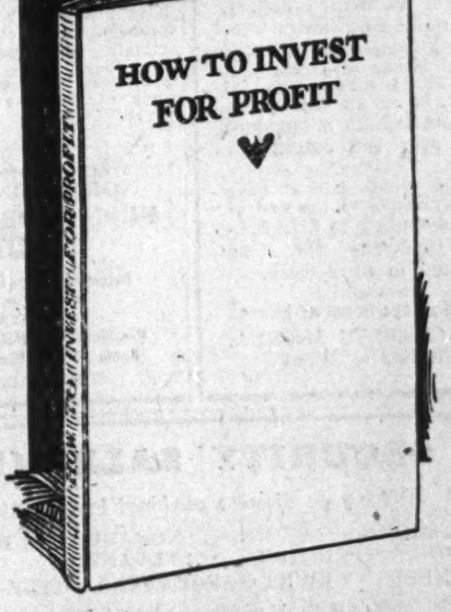
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The Week in Mining

Eldorado Report

MOST encouraging reports emanate from Great Bear Lake on the developments at Eldorado Gold Mines and the shares continue strong in the market around the $4 figure, but the expected report by F. D. Reid, consulting engineer, has not yet been made public. In view of a relatively short stay at the property by Mr. Reid and his return over three weeks ago, surprise has been expressed that the shareholders have not been given the result of his findings which will constitute the first engineer's report since the discovery of the property by Gilbert LaBine four year ago. In view of recent comments on development, by officials, it is expected that Mr. Reid's report as engineer will be of a confirming nature, but the delay in presenting it to shareholders is not clearly understood.

* * *

Stock Salesmen

AN APPLICANT to the Ontario Securities Commissioner for a license to sell stock is not debarred from securing a license by reason of a previous conviction of crime unless it be a conviction in connection with securities, is the interpretation recently made on an application. Some years ago a present-day promoter was convicted of grand larcency; served his sentence and paid the penalty to society, but in his application for a stock salesman's license this crime was not disclosed. A check-up by the Ontario Securities Commissioner as to why this conviction was not disclosed resulted in the interpretation that inasmuch as he was not convicted of crime in connection with promotions or securities, his omission to disclose the conviction on his application was not an act calling for censure.

* * *

Export U. S. Gold

GOLD in the form of ore concentrates, precipitates and amalgam is to be permitted to enter Canada from United States following applications from gold producers in that country, according to Hon. E. N. Rhodes, minister of finance. The department will charge, in addition to actual costs for refining the gold, a one per cent handling charge. The remainder of the proceeds, following the marketing in Great Britain, will be remitted to the producers in New York funds.

The embargo against the exportation of gold produced in United States has brought an agitation for the United States government to permit a free market, the same as enjoyed by Canada, but the government's policy in placing an embargo on the export of gold to thwart the efforts of hoarders and possessors of gold inflicted a serious handicap on the producers. A recent announcement that the U. S. government would grant export licenses to United States producers is seen as relief to the legitimate producers of virgin gold.

Canadian metallurgical plants, such as Consolidated Smelters, International Nickel and Noranda, are in a preferred position to treat the United States production, while the leading United States producer, the Homestake, is reported to be negotiating with Hollinger to refine its output.

The remuneration to the Canadian metallurgical plants is not of great importance, but the permission affords relief to the United States producers pending arrangements for the enjoying of a free market without the complications of exporting its gold in a semi-refined state.

Additional mining news this week on page 15

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines
HON. CHARLES McCREA, Minister of Mines

Canadian Mining News

NICKEL EARNINGS 10 CTS. PER SHARE FOR 2ND QUARTER

Greatly Improved Nickel Sales Quickly Reflected in Profits

INVENTORIES DOWN

Stanley Tells of Striking Industrial Change — Alloys Replacing Iron and Steel

Earnings for International Nickel Co. of Canada for the three months period ended June 30, 1933, reflected the greatly improved sales of nickel and indicate the quick recuperative powers of the company, which surprised even many close observers of the company's activities. Earnings amounted to $1,943,047, equivalent to 10 cents per share on the common stock outstanding. This compared with a loss of $80,158 in the three months ended March 31, 1933. Earnings from operations were almost three times that in the first three months. Miscellaneous income also showed an advance, while administration, general expense, taxes and depreciation were shown as higher than in the first quarter.

In last week's issue of The Financial Post the premise was made that, based wholly on knowledge of operating and sales activities, earnings would be close to 10 cents per share, the official figure now reported.

The following tabulation gives comparative income and surplus account figures for the past two quarterly periods:

Income and Surplus Account

	3 Mo. Ended June 30 1933	Mar. 31 1933
	$	$
Earns. from oper. ..	3,347,960	1,098,631
Less: Admin. & gen. exps.	258,378	224,615
Prov. for taxes ..	213,342	57,355
Net oper. profit ...	2,876,240	816,661
Add: Other income .	64,852	7,745
	2,941,092	824,406
Less: Depr., depl. etc.	875,307	815,671
Int. paid & accr. .	122,738	88,893
Net profit	*1,943,047	†80,158
Less appropriations: Pref. dividends ...	483,475	483,475
Surplus	1,459,572	564,633
Add: Prev. surp. ...	14,349,389	*14,825,560
Bal. car. forward ..	15,808,961	14,260,927

*Not including (credit) $522,517 exchange now carried in contingent reserve.
†Loss

Earnings Per Share:		
Common	$0.10	nil

The balance sheet as at June 30, 1933, reflects an improved liquid position of the company. Current assets total $31,592,134 as compared with $28,383,471 as at March 31. Cash on hand has increased nearly $3,000,000, while accounts and bills receivable have increased over $2,000,000. Inventories on June 30 were shown at $17,075,549 or down approximately $2,000,000, indicating that sales are greatly exceeding production. Current liabilities are up about $750,000, giving a net working capital of $28,565,339 as at June 30, as compared with $26,090,364 on March 31.

In a letter to shareholders accompanying the report, Robert C. Stanley, president of the company, draws attention to the striking industrial change through the replacing of iron and steel by alloys. The outstanding participants in this change are the stainless steels, which in many cases depend upon a relatively high nickel content to furnish the properties which make these particular alloys so useful. Mr. Stanley further comments on the uses of alloy steels as follows:

"Within the past decade, the progress of the chromium-nickel stainless steels has been extraordinarily rapid. Taken up with enthusiasm by the majority of alloy steel manufacturers, these stainless steels have maintained a comparatively high production rate during the past three years of acute recession in the steel industry.

"As the properties and production methods of white metal alloys are improved through research and practical application, it is possible to explore new industrial fields in which these alloys should be particularly valuable. Your company has been actively associated with progress along these lines and is encouraged to look forward to a broadening development of the use of white metal alloys."

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

Radium is Delivered By Eldorado Mines

The initial shipment of Canadian produced radium in the refined state, sealed in platinum needles, was delivered August 21, to Hon. J. M. Robb, minister of health for Ontario.

This is the first fruits of the newly launched radium industry in Canada and while the value — some $16,000— is but a small fraction of the requirements of the Government, steady delivery is expected in the future. The Government's initial order to the Eldorado Gold Mines was for $25,000 of radium but larger orders are pending. Delay was experienced in the delivery of the radium owing to the necessity of sending it to England to have the platinum needles filled and sealed. This first shipment, comprising 25 needles, is for the clinic at the Kingston Hospital.

The strength of the radium filled needles was measured at the Bureau of Standards at Ottawa, thus making it unnecessary to send them to Washington, as in the past.

CARIBOO GOLD MAKES STRIKE ON LOW LEVEL

Winze Sunk and Crosscut Encounters Ore of 50-ft. Width

Operations are apparently going on satisfactorily at the pioneer operations of the Cariboo Gold Quartz mining near Barkerville, B.C. An official report just received tells of a new strike of ore of good milling grade some 50 ft. wide, 110 ft. below the low level tunnel. In an official statement over the signature of Dr. W. B. Burnett, treasurer of the company, shareholders are given the following information:

"In respect to the strike reported at the Cariboo Gold Quartz mine, it is a fact that a strike of real importance has been made in our development.

"At about 1,200 feet in our low-level tunnel where several veins were crossed, a winze, or small shaft, was put down to try out a little the veins at greater depth.

"At a depth of 110 feet below the low-tunnel level, a crosscut was put through the ore-bearing strata. This shear had been somewhat split up where passed through by our tunnel.

"At the time I left camp an ore body fifty feet wide had been crossed, all of which is good milling grade. It is possible yet to cut more ore, but it looked as though the wall had been reached.

"While this appears to be a major strike, a full estimate of value must be reserved for further development on this level, which will not be finished for some time.

"This work was carried out for the purpose of proving if the several ore bodies cut in the main tunnel would come together below in one larger body.

At Low Level

"The fact that this ore is cut at the lowest level yet attained in the Cariboo mineral belt is in itself of great value at this stage of the camp's development. We are not prepared for any considerable shaft development at this time and I wish this point to be made clear to the public and shareholders — that our work will be to press forward with our tunnel to cut veins at this main level.

Compressor in Action

"A winze will only be put down where it becomes necessary to explain some points in connection with ore or veins crossed by the tunnel. We are very glad to report the remarkable success of this first attempt at a lower level for ore on the belt.

"The mill has been running steadily and the last gold brick was shipped by mail to Ottawa, which practice will be followed in the future."

New Personnel Directs Miller Mines Efforts

The discovery 18 years ago on property now owned by the Miller Independence Mines and which then created somewhat of a sensation among mining men, is now to receive a belated but conclusive test following a reorganization of the personnel of the company last week, headed by George Miller as president, if present plans materialize.

As a first step toward the renewed effort a consolidation has been effected with the Allied Gold Mines whose properties, comprising some 160 acres, adjoin. The present company, incorporated in 1924, is a reorganization of one of a similar name, incorporated in 1916. Out of an authorized capitalization of $3,500,000 in $1 par value shares some 2,850,000 shares have been issued including 1,050,000 shares issued for the Allied properties. Holdings of the company now total 560 acres in Pacaud township, Boston Creek area, Ontario, where some five shafts have been sunk in earlier operations.

Initial efforts by the present group will include crosscutting from the 100-ft. level of the "C" shaft, northwest for about 165 feet to a diamond drill intersection on the No. 1 vein, which showed most encouraging values. It is claimed that approximately $25,000 will bring the property into production with a small mill that will finance a more extensive programme.

Merritt Hotchkin, engineer in charge of the Toburn Gold Mines at Kirkland Lake, has reported on the property and will direct further work as well as retain his position on the directorate.

Tobacco Plant for West

Another Saskatchewan industry came into being the other day with the announcement by the British Tobacco Company of the opening of a store and factory in Saskatoon for the manufacture and sale of smoking tobaccos. This is the first plant of its kind in the province.

YUKON GOLD CORP. WINS LEGAL SUIT AGAINST MANAGER

A. N. C. Treadgold Deprived of Big Block of Stock

By a recent judgment of Mr. Justice Davis of the Supreme Court of Ontario in the case of Patton vs. Yukon Consolidated Gold Corp., A. N. C. Treadgold was compelled to deliver up for cancellation all the certificates for the shares registered in his name with certain minor provisions.

The case lasted from May 29 to June 23, inclusive, this year. This was the second hearing of the case made necessary by the death of the court reporter when the case was tried by Mr. Justice Raney in Ottawa last year.

The plaintiff in the action, J. T. Patton, of London, England, on behalf of himself and a large group of shareholders, sought to recover from Treadgold, an Englishman and former general manager of the enterprise, a large block of shares he caused to be registered in his name, which accounted for practically one-half of the outstanding capitalization of the company. It was alleged and Mr. Justice Davis has found that there was no justification for the transfer of the shares and that Treadgold was a trustee for the company and had no personal or individual right to the ownership of any of the shares.

Nothing to Disqualify Action

Mr. Justice Davis commented that there was nothing in the evidence to disqualify any of the plaintiffs from bringing action.

While the company was incorporated ten years ago with a Dominion charter to consolidate and operate placer gold operations in the Yukon, the financial sponsors of the company were principally residents of Great Britain, who vested in Treadgold authority to effect the consolidation and obtain leases to permit what is a major gold placer operation in the Yukon area today.

The method to effect this end, as brought out in the evidence, is one of the most complex and confusing bits of mining finance that has been brought to light in Canadian mining history. It was established that Treadgold first through the E. Y. Syndicate, which he controlled in England, and later through the North Fort Power Co., another of his companies, having an old charter which he resuscitated, were used as intermediary companies to effect the consolidation and inasmuch as these two intermediary companies were controlled by Treadgold he was able to cause to be transferred the treasury shares of the company which, according to the registry book, totalled 2,129,997 common shares and 15,500 preferred shares. In addition, he caused shares to be transferred to one Williamson, his nominee.

Treadgold Dominated Company

Treadgold himself, the dominating and controlling influence in the company, was an undischarged bankrupt in England in 1920. He had long been associated with mining promotions and was one of the pioneers in the Yukon rush of 1898. The evidence brought out in the trial indicated that the chief error of the directors and shareholders of the company had been misplaced confidence in Treadgold, who had taken advantage of his position to promote his own financial gain.

One amusing incident was brought to light and that was when the E. Y. Syndicate was forced into liquidation in England by an action of the General Mines Investment Co. Its chief assets were shown as 23,500 preferred shares in the Yukon Consolidated Gold Corp. The liquidator of the syndicate accepted Treadgold's offer for these assets, his bid being $22,500. Coincident with this came a cable from Treadgold in Canada for $23,000 to purchase machinery and equipment ostensively for the mining operations. The $23,000 was sent Treadgold and the accounts later showed it had been credited to his private account.

Treadgold was most defiant throughout the trial and when asked to explain how so many shares went out the door, his only comment was "I owned them; I was the owner; it was I." Asked for the authority, said, "I was the authority."

Treadgold Owes $250,788

In an audit completed by Price, Waterhouse & Co. it was shown that Treadgold's private account with the Yukon Consolidated Gold Corp. had been debited in all with $250,788. Treadgold, on the other hand, claimed counter accounts to the extent of $137,000 for supplies and purchases.

Mr. Justice Davis' findings were sweeping in effect, as follows:

"On the whole of the evidence I prefer the evidence of the witnesses for the plaintiff to those of the defendant, and I find myself unable to accept as the true position the contention that this was an individual personal matter of Treadgold's, that he was the owner and real vendor and that he was the person entitled to the vast number of shares. I cannot accept that on this evidence. I think that the shares were obtained by him (Treadgold) illegally without consideration and in fraud of the company (Yukon Consolidated Gold Corp.) and its shareholders.

"That being so, in my view, he is bound to deliver up to the company for cancellation the certificates of all the shares that are registered in his name excluding shares sufficient to satisfy the Harrison judgment of 1932 and excluding what I call the Belcourt shares."

Metal Prices

New York—August 22—
Copper: Electrolytic spot, 9c. lb.
Silver: 36c.

London—August 22—
(Long Ton)—
Copper: Electrolytic spot, £39 15s.; future, £40 10s.
Standard spot, £35 7s. 6d.; future, £35 12s. 6d.
Tin: Spot, £212 15s.; future, £212 15s.
Lead: Spot, £11 15s.; future, £12 2s. 6d.
Zinc: Spot, £16 15s.; future, £16 15s.
Silver: 17 3/16d. per ounce.
Gold: 125s. 3d.

Canada—August 15—
Gold: $29.80.

Talc Production Centres In Eastern Ontario

One of Canada's Little Known Mineral Resources Under Review

Commercial talc and soapstone are two soft minerals, generally white in color, that differ from each other principally in method of mining rather than in chemical characteristics. The flaky variety is generally described as talc, while the compact, fine massive variety is known as soapstone and is quarried rather than mined.

In general the characteristics of these minerals distinguish them from all others, not only for their soaplike or greasy feel, but also the ease with which the flaky variety can be crushed and the compact variety scratched with the finger nail.

The uses of talc are many and varied, but are principally dependent on its color and physical qualities rather than on its chemical analysis. Its color and its properties of smoothness or "slip," its chemical inertness, its low conductivity for heat and electricity and its high temperature of fusion, greatly broaden its application. Of these properties its smoothness and white color render it useful, when finely ground, as talcum powder for cosmetic purposes; its chemical inertness, when exposed to weathering, for paint, roofing paper and asbestos roofing; and its low electrical conductivity in the form of soapstone for electric switchboards. Similarly, its softness makes it useful as a polishing powder and for glass and leather and its "slip" for use in the rubber industry to prevent sticking.

U. S. Largest User

The United States is the largest consumer of the mineral and an investigation has shown approximately 50 per cent of the production is used in paint, 16 per cent used as a filler for paper and cloth, 12 per cent for roofing material, five per cent in the rubber industry, four per cent in cosmetics, one per cent for foundry facings and about one per cent in the ceramic trade, with the balance made up in a broad variety of uses, which include various kinds of fillers, dustings for dance floors and a more recent and expanding use—a filler for cotton bags as containers for flour.

The massive type (or soapstone) is ground and molded into crayons, pencils, tailor's chalk and large quantities are used as a brick for lining smelting furnaces. It has been used extensively in the past as foot warmers. It is still used, chiefly by the Chinese and other Orientals for carving. It was used extensively for pipes, ornaments and working vessels by North American Indians and is still used and prized by Eskimos for carving.

Canada's principal production of talc is from the mine of George H. Gillespie & Co., and Canada Talc Co., at Madoc, Ontario, where it is reduced in mills with the major portion of the production exported to the United States. Production in 1932 amounted to 12,103 tons valued at $112,287. In addition, the soapstone produced was valued at $46,751 and came principally from the quarry at Broughton, Quebec. There has also been an intermittent production of talc from various deposits in British Columbia.

Intermittent shipments of talc and soapstone have been made from Canadian deposits since 1886, and mining was conducted as early as 1871, but it was not until 1900 that mining operations commenced on a high-grade talc deposit in the Madoc district. It is chiefly due to the indefatigable efforts of Geo. H. Gillespie that Madoc talc has won recognition in the United States, the largest market for the product.

U. S. Duty High

The duty on crude talc into United States is one-quarter cent per pound, while on ground, pulverized or water washed talc it is 35 per cent ad valorem.

About 90 per cent of the production in the United States comes from California, New York, North Carolina and Vermont. Russia was formerly an importer of talc, but has now developed deposits in the Urals.

While the value of Canada's talc production is shown at about $9.25 per ton, the value of the ground talc exported is about $11 per ton.

The finest grade talc used for talcum powder nets the producer little more than one-half cent per pound, but when dispensed in large sized cans by the ten and fifteen cent stores it commands about 15 cents per pound. The chief processing of the mineral for cosmetic purposes is the addition of perfume.

Milling operations are of a simple, crude nature involving no intricate or elaborate equipment. Crushing is principally done in ball mills and the product screened with the higher grades air floated.

Labrador Gold Find Not So Scintillating

The gold finds of Captain D. S. Bondurant in Southwestern Labrador are being abandoned by this intrepid pioneer, according to a St. John's, Newfoundland, dispatch to The New York Times.

W. J. Walsh, Minister of Mines of Newfoundland, recently made an inspection trip to the site of the finds, accompanied by engineers and geologists who are reported to have taken out 96 bags of samples. Reticence of the minister has left the impression, according to the report, that the Labrador gold field has not come up to expectations.

Standard Gold Mines Programme Under Way

From Our B. C. Mining Correspondent

VICTORIA. — Recent development work on the property of the Standard Gold Mines Ltd., 12 miles from Pioneer in McGillivray Pass, has disclosed a formation exactly similar to that of Pioneer and in the development tunnel now being driven contacts are being made with the outcrops which are said to carry excellent values.

The work of the mine is under the supervision of William Sloan, the managing director, and to date several open cuts have been driven and two tunnels. Five well-defined veins have been uncovered, and reports from the management state that they average 8 feet in width.

Because the property lies on the summit of the Pass, the veins take a dome shape and the present work driving in the main development tunnel has encountered them as practically vertical.

The financial set up of the company has allowed it to build its camp, build a trail and purchase all equipment. Besides this an appropriation for development work has been made and when completed there will still be approximately $35,000 in the treasury, according to company officers.

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Bathurst Mine Not Operating Red Lake Claim

The High Grade Synd. headed by one Hendrick's of Ottawa, has a small crew operating on a group of seven claims in the northeast corner of Honeywell township, Red Lake area, part of which were the former holdings of Bathurst Mines. Here a small Jack Nutt mill is in operation. Some confusion has existed on account of statements made that the property was being worked by Bathurst. Such is not the case, The Financial Post is reliably informed. Hendrick is said to have been drawn into the undertaking by backing the prospectors who were at work on the property last winter when the claims were restaked after Bathurst Mines failed to keep them in good standing. The entry of Hendrick on the property is said to be an attempt to recoup his advances made to the previous group.

HOLTYREX OFFERING IS NOT TREASURY

Better Business Bureau Checks Sales Story Which Proves Untrue

An offering of Holtyrex Gold Mines shares at ten cents each, and representation that McIntyre-Porcupine Mines officials examined the property with a view to taking it over, were contained in literature sent out by E. A. Schmidt, of Montreal. Official denial was given to the Better Business Bureau of Montreal by McIntyre-Porcupine officials to the report that they were negotiating for acquisition of Holtyrex property.

Interviewed by the Better Business Bureau, A. E. Schmidt admitted that the shares being offered were his own personal property and the sales of such would in no way affect or benefit the Holtyrex treasury. Schmidt gave the following information to the Better Business Bureau:

"Prior to 1922 a syndicate, of which Schmidt was a member, acquired 80 acres of mining lands and subsequently arranged with the owners of the adjacent 80 acres to form the Holtyrex Gold Mines with a capitalization of $3,000,000. Under the terms of this amalgamation Schmidt and his associates were to receive $100,000 in cash and 200,000 shares in the new company to be formed. The owners of the other 80 acres received 1,000,000 shares for their holdings. To date Schmidt and his associates have received $55,000 in cash; the balance owing is secured by a mortgage on the syndicate's 80 acres. In addition to the money owing on properties, outstanding debts are approximately $25,000."

Ontario Gold Output Keeps at High Levels

Gold production by the 17 leading gold mines of Ontario, in July was valued at $3,636,754, slightly better than in the same month of 1932. Production from the Kirkland Lake area was valued at $1,819,331 as compared with $1,712,065 from the Porcupine district. The total value of the production from the Porcupine camp for the seven months of 1933, however, exceeded that of Kirkland Lake by some $153,000.

The individual order of output for July was: Lake Shore, Hollinger, McIntyre, Teck-Hughes, Dome, Wright-Hargreaves, Sylvanite, Coniaurum, Howey, Buffalo Ankerite, Toburn, Vipond, Ashley, Kirkland Lake Gold, Parkhill, Moss and Minto.

The following tabulation gives total production by months for 1933.

Production

1933	Tons milled	Total val. $
January	473,739	3,505,198
February	424,922	3,615,354
March	461,904	4,059,248
April	449,650	3,681,801
May	475,971	3,654,442
June	457,886	3,648,692
July	462,635	3,636,754
Grand Total	3,206,707	25,801,489

MERLAND OIL PROFIT $54,993 LAST YEAR

Production Increases and Debts Liquidated—Has One Well

Annual report of Merland Oil Co. of Canada for the fiscal year ended April 30, 1933, shows a net profit of $54,993, equivalent to 5.7 cents per share as compared with $19,947 or two cents per share in the previous fiscal year.

The company has one producing well in the Turner Valley field of Alberta, which came into production in May, 1931. Crude naphtha production in the last fiscal year was 81,614 barrels as compared with 45,539 barrels in the previous fiscal year. This increase in production was reflected in the revenue from the company. Production is shared on an equal basis with the Northwest Co., a subsidiary of Imperial Oil, which did the drilling. A royalty of 12½ per cent also accrues to the Calgary & Edmonton Corp.

The following tabulation gives comparative income and surplus account figures for the past two fiscal years:

Income and Surplus Account
Years Ended April 30

	1933	1932
Revenue:	$	$
Naphtha sales	254,547	135,020
Naphtha on hand .	148	1,663
Gas consumed in oper.	360	330
Bank int. earn. ...	376	....
	255,431	137,013
Expenditures:		
Re N'west Co.	105,123	45,072
Royalties	31,837	17,014
Oper. exps.	9,693	20,899
Lease rentals	374	49
Bad debts w/o	112	....
Salaries	9,000	....
Mtge. interest	101	2,309
Taxes, etc.	5,036	2,108
Net income	94,155	49,562
Less: Deprec. res. ..	2,945	2,623
Devel., organ. w/o	26,992	26,992
Tax reserve	9,225	....
Net profit	54,993	19,947
Dividends	24,259	....
Surplus for year	30,734	19,947
Previous surplus	19,947	....
Inc. tax prior year ..	3,255	....
Balance forward	47,426	19,947
Earnings & Dividend Record:		
Earned	$0.057	$0.02
Paid	0.025	nil

The balance sheet of the company dated April 30, 1933, reflects an improved liquid condition notwithstanding the disbursement of an initial dividend of 2½ cents per share paid on November 15 last. Advances from Stobie, Forlong Assets, Ltd., which totalled $50,000 in 1931, were finally wiped off in the last fiscal year and the working capital of the company as at April 30, 1933, was $54,943 as compared with $752 at the end of the previous fiscal year.

The company is headed by Alfred Hinds as president. W. R. Sweeney is secretary.

Of the 1,500,000 common shares of no par value shares authorized 970,346 are outstanding.

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As a drilling campaign to increase the company's crude oil production in Skiff field is being started, it is desired to have shares registered in owners' names. Accordingly, stockholders can have shares registered free of charge until October 1st, 1933. Send, or have your broker send, by registered mail your shares to the company offices: 300 Leeson-Lineham Block, Calgary, Alberta, for registration at once.
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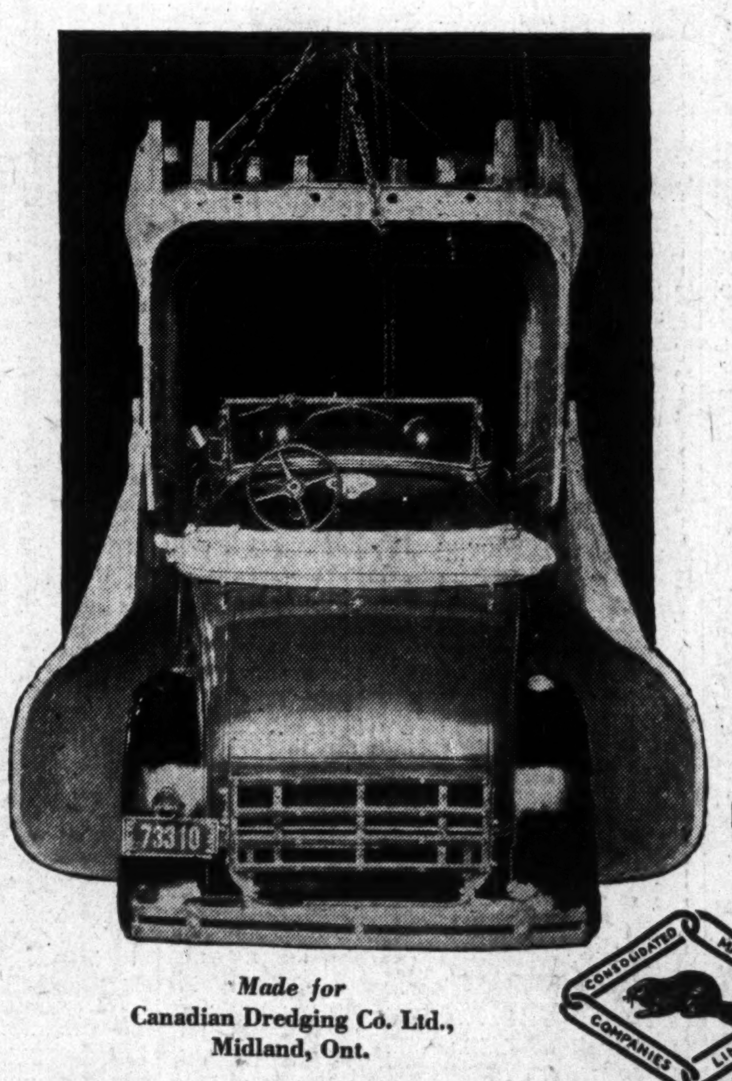

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